

# **COLORADO TAX LIEN CERTIFICATE SALE FAQs DOUGLAS COUNTY**

[www.douglas.co.us/treasurer](http://www.douglas.co.us/treasurer)

## **What is the date and time of the next tax sale?**

Douglas County will be using SRI Incorporated for the internet tax sale. Information regarding upcoming tax certificate sale auctions is available at [www.zeusauction.com](http://www.zeusauction.com)

## **How often are tax certificate sales held?**

Colorado tax sales typically take place in the fall of each year, but must be held on or before the second Monday in December.

## **How are properties put on tax sales?**

CRS 39-10-102 ... all properties shall become due and payable on January 1 of the year following that in which they are levied and shall become delinquent on June 16 of said year... Properties are eligible for the tax certificate sale the same year they become delinquent.

## **Where and when will the auction/sale be advertised?**

Advertising is placed in a local newspaper. There will also be information on the SRI and Douglas County Treasurer's website.

## **How often do you advertise sales?**

The first publication is at least four weeks before the date of sale for three consecutive weeks.  
CRS 39-11-102

## **What type of payment is required and when is the payment due?**

Each county sets its own payment terms. The payment terms will be posted in connection with the rules of sale for each particular online auction. In any event, lien buyers must pay the amount of their bids in a form of funds acceptable to the county treasurer and by the deadline established by the county treasurer in the rules of sale. Please refer to the SRI website for the specific tax certificate sale auction in which you would like to bid for more information concerning payment terms and rules of sale.

## **What type of bidding process will be used?**

The minimum starting bid for each tax lien certificate is equal to the amount of the delinquent taxes, interest, advertising and fees as shown on the SRI internet auction website. Douglas County tax certificates sales are "PREMIUM" auctions in which a bidder can choose to bid up the minimum amount due. Premiums are never returned and draw no interest, they

should be considered a cost of securing the tax lien. The annual rate of redemption interest shall be nine percentage points above the discount rate, which discount rate shall be the rate of interest a commercial bank pays to the federal reserve bank of Kansas City using a government bond or other eligible paper as security, and shall be rounded to the nearest full percent. The tax certificate will be sold to the person who will pay the delinquent taxes, interest, advertising, fees and premium at the established interest rate return on investment.

**Will the sale be final?**

All sales are final. Once bidding on a tax certificate for a particular item of property closes, the tax certificate is awarded to the winning bidder and the bidder is obligated to pay for the tax certificate.

**Will other liens be cleared from the property as a result of the sale?**

Existing liens will not be cleared as a result of the tax certificate sale. The event that may potentially extinguish various liens and encumbrances is the issuance of a tax deed. You are encouraged to consult professional legal counsel for more information regarding this topic.

**What will I receive to verify the purchase?**

SRI Incorporated will e-mail a list of all tax liens purchased to each bidder. After the tax sale is closed, balanced and posted, the lien buyer can print their Certificates of Purchase from the Douglas County website.

**Will you allow purchases of tax certificates by mail, phone, or by fax?**

No. You or your authorized representative must participate in the public auction online in order to bid on/purchase tax certificates.

**What happens to the properties if they do not sell in the auction?**

If a certificate is not purchased, the certificate shall be struck off to the county. The county held liens list is available at [dougcodata.org](http://dougcodata.org)

**Is a current property list available?**

The original published delinquent list will be available on the Douglas County website towards the end of September or the beginning of October depending on the sale date. Two weeks prior to the sale date an updated list will be provided to SRI and will be updated several times before the sale. It is the Buyer's responsibility to research the property on which they are bidding. Tax sales are "BUYER BEWARE". The Assessor's website at [douglas.co.us/assessor](http://douglas.co.us/assessor) provides additional information regarding the property.

**Is a copy of the county rules and state statutes regarding the tax certificate sale available for purchase?**

No. The rules are on the SRI and Douglas County websites. It is recommended you review the Colorado Revised Statutes Title 39, Article 11 (Sale of Tax Liens) and Title 39, Article 12 (Redemptions) prior to participating in a tax lien sale auction.

### **What is the redemption period?**

A tax lien may be redeemed at any time after the certificate is issued and before the county treasurer issues a tax deed for the property. Under CRS 39-12-103(1) Real Property for which a tax lien was sold under the provisions of Article 11 of Title 39, as a result of delinquent taxes may be redeemed by the owner thereof or his agent, assignee, or attorney, or by any person having a legal or equitable claim therein, or by a holder of a tax sale certificate. The person redeeming a tax certificate shall pay the treasurer the face amount plus all interest, costs, and charges. Three years from the date of the original tax sale the lien holder may apply for a Treasurer's deed if the lien has not been redeemed. Liens are only valid for 15 years and are cancelled at the 15 year anniversary date of the sale if not redeemed or if a Treasurer's deed has not been applied for prior to the 15 year date.

### **If the lien purchased is redeemed, will I get my money back?**

Upon redemption you will receive the minimum sale price of the tax lien you purchased plus redemption interest thereon. **Please note that the amount by which your purchase price exceeded the minimum sale price (the premium) will not be returned to you upon redemption.**

### **Am I responsible to pay subsequent taxes after the sale?**

If the owner does not pay subsequent taxes before August 1<sup>st</sup> each year you will be given the opportunity to pay them. The Endorsement Eligibility Report will be available on the Douglas County Treasurer's website as soon as possible after August 1<sup>st</sup> each year. Your payment will be endorsed onto your lien and will accrue interest at the same rate as your original certificate. If there are multiple lien holders on a parcel from previous years, the current year tax payment is applied on a first received basis. The property owner may also pay the current year prior to the subsequent taxes being received from the investor. If the property is in bankruptcy, subsequent taxes cannot be endorsed.

### **Who conducts the tax certificate sales in Colorado?**

SRI Incorporated will conduct the tax sale on behalf of the Douglas County Treasurer.

### **Does the purchaser have the right to secure the property?**

A lien purchaser has no right to secure the property prior to the issuance of a tax deed by the County.

**What if someone gets hurt on the property during the redemption period?**

The lien purchaser is not the owner of the property during the redemption period. For this reason, the lien purchaser is not responsible (by virtue of its interest in the property) for any accidents or injuries that occur on the property during the redemption period.

**How do I get title to the property?**

The Treasurer's Deed process is handled by the Treasurer's office. There is a Treasurer Deed Request and Procedure form on the Treasurer's website. You are encouraged to engage professional legal counsel regarding obtaining ownership of property for which you acquired a tax certificate.