



## Howard County Tax Sale

### Frequently Asked Questions

The following list of the most frequently asked questions and answers has been compiled to inform potential bidders or other interested parties of the basic requirements and guidelines governing participation in the Howard County Tax Sale. Participation in the Howard County Tax Sale may result in the immediate purchase of a “tax lien”, but not an actual property, therefore, discretion is encouraged. The list does not include all applicable terms. Some of its contents may or may not be applicable and are subject to revision, without prior notice. Additional provisions may be enacted at any time, up to and including Tax Sale Day, and are at the sole discretion of the Collector of State and County taxes for Howard County. A complete list of terms will be made available before the sale.

**Q1: How often does Howard County hold tax sales?**

A1: Howard County holds one tax sale per year.

**Q2: What are the date, time and location of the Howard County Tax Sale?**

A2: The Howard County Tax Sale will be held on Wednesday, May 13, 2009 at 10:00 a.m. in the Ten Oaks Ballroom (doors will open at 9:00 a.m.). The address is 5000 Signal Bell Lane, Clarksville, MD 21029. You may call The Office of Finance at 410-313-3196 if additional information is needed.

**Q3: Does Howard County allow bidders to participate in the auction via mail, telephone or fax?**

A3: No. All potential bidders are required to pre-register and may do so via mail, however in order to obtain a bid card and place bids they must be present at the sale and submit proof of identification.

**Q4: How can a list of tax sale properties be obtained and what is the cost?**

A4: Beginning four weeks prior to the sale, Howard County publishes a list of properties to be auctioned in a local publication, (usually *The Howard County Times/Columbia Flier*) for four consecutive weeks. Copies of those publications must be purchased directly from the publisher, Patuxent Publishing. Because taxes can be paid up to the time of the sale, the number of properties on the list may change. The list will be updated periodically as these properties are removed from the sale. Concurrently, a list is also made available via the following web site address: [www.howardcountymd.gov/DOF/DOFDocs/taxsale09.xls](http://www.howardcountymd.gov/DOF/DOFDocs/taxsale09.xls) (Follow appropriate links to the Finance Department; General Information; Property Taxes; then Tax Sale). The web site listing must be downloaded as an Excel 2000 spreadsheet. No other lists are available.

**Q5: Are the properties not sold at the tax sale available for sale over the counter?**

**A5:** No. Any property not sold is purchased by the County. No property will be sold at any other time than on the day of tax sale.

**Q6: What are the registration requirements?**

**A6:** All potential bidders **must** pre-register with the Howard County Office of Finance either by mail, or in person, no later than Friday, May 8, 2009. **No registrations will be accepted on the day of tax sale.** All potential bidders will be required to provide name, address, telephone number, social security number or federal identification number, e-mail address and signature. In addition, bidders will need to complete form W-9 (Request for Taxpayer Identification Number and Certification) and the Department of Finance will provide tax sale purchasers with IRS form 1099 to report interest as required by law.

**Q7: What are the financial requirements for registration?**

**A7:** Potential bidders must pay a one thousand dollar (\$1,000) deposit via certified funds such as a cashiers check, certified check, cash or money order at the time of pre-registration. The deposit is fully refundable if the bidder does not purchase a property.

**Q8: Can registration be done via mail?**

**A8:** Yes, it is possible to pre-register via mail beginning four weeks prior to the tax sale date. If you wish to pre-register, simply visit our website at [www.howardcountymd.gov](http://www.howardcountymd.gov) In the search box at the top right-hand corner type in the words, 'FAQ Bidders' and select the link labeled, 'FAQ's For Bidders' (The on-line version of this document). Within that document at Q8 are the two links to pre-registration material: The first is the [Terms of Sale Agreement](#) and the second is a W-9 form. Once you have read the Terms of Sale Agreement, you must complete and sign the last page, then fill out the [W-9 form \(from IRS website\)](#) according to the instructions and mail both documents along with a certified check or money order for \$1,000 to the Howard County Department of Finance, Tax Sale Registrar, 8930 Stanford Blvd., Columbia, MD 21045. You may also request a pre-registration packet via mail. Contact 410-313-3196 to have a pre-registration packet sent to you. **Please do not send cash via mail.** For those wishing to pre-register in person, our temporary offices are located at 8930 Stanford Blvd, Columbia, MD 21045. Note: Howard County cannot be held responsible for lost or misdirected mail. Pre-registration packets and all completed forms must be returned with the \$1,000 certified deposit no later than Friday, May 8, 2009. Incomplete packets will not be processed and/or returned.

**Q9: What is the bidding process?**

A9: The initial bid price will be no less than the total amount due for taxes and other charges, together with interest, penalties and expenses of sale. The auctioneer will begin with the first property and proceed in alphabetical order (by owner last name) stating the amount due. The auctioneer will set any and all incremental bidding levels and when the auctioneer pronounces the property, "Sold", the sale of that property is complete and final. The auctioneer's decision will not be overturned.

**Q10: What happens if I don't bid on anything?**

A10: If a bidder does not bid on any property his/her deposit will be refunded upon return of the bid card.

**Q11: If I am the successful bidder on a property, do I have to pay the bid amount at the end of the auction?**

A11: The amount due will be the amount of back taxes, interest and costs, less the \$1,000 deposit, plus a high-bid premium, if applicable, and will be due by 2:00 p.m. the following business day. Personal checks imprinted with name, address, and telephone number, are accepted.

**Q12: What are high-bid premiums?**

A12: High-bid premiums are additional funds deposited on any tax sale property for which the highest bid exceeds forty percent (40%) of the property's full cash value. The high-bid premium is twenty percent (20%) of the amount that exceeds the forty percent cash value threshold. For example, if the full cash value is \$100,000, the outstanding taxes due are \$1,000 and the successful bid is \$50,000, the bidder should expect to pay:

Taxes		\$1,000	
High Bid Premium			
Cash Value	\$100,000		
40% Cash Value ( $\$100,000 \times .40$ )	\$ 40,000		
Bid	\$ 50,000		
Less 40% Cash Value	<u>\$ 40,000</u>		
Total	\$ 10,000		
20% Premium ( $\$10,000 \times .20$ )	<u>\$ 2,000</u>	<u>\$2,000</u>	
Total Payment Due			\$3,000

A total of \$3,000 is due to the County by 2:00 p.m. the following day. That is, \$1,000 for the outstanding taxes, interest and costs, plus 20% of \$10,000, the amount that exceeds forty percent of the full cash value or \$2,000.

The high-bid premium is refundable without interest to the holder of the tax sale certificate or assignee upon redemption, or the plaintiff in an action to foreclose the right of redemption. The high-bid premium is non refundable if not redeemed, and no action to foreclose the right of redemption is filed within the limitations of the tax sale certificate.

**Q13: If I am the successful bidder on a property, do I take ownership of that property?**

A13: No. The successful bidder will hold a tax lien against the property and be given a tax sale certificate. However, until redeemed, the lien will be considered the foremost financial obligation of the property.

**Q14: How long is the tax lien valid?**

A14: The tax lien certificate is valid for two years from the date of the certificate.

**Q15: What interest rate is paid on the lien upon redemption?**

A15: The current interest rate paid by Howard County on tax sale property is eighteen percent (18%) annually. The interest amount will be calculated at a daily rate from the date of sale to the date of redemption.

**Q16: What are the original owner's right of redemption?**

A15: The procedure for redemption of properties sold at tax sale is governed by state law set forth in Title 14, Subtitle 8 of the Tax-Property Article of the Maryland Annotated Code. The County does not provide legal advice to either the tax sale purchaser or the property owner on their respective rights under the law. Instead, you should either consult the state law or obtain independent legal advice on your rights and responsibilities under the law. **Nothing in these FAQs is intended to constitute legal advice and should not be relied upon in determining your rights and liabilities under governing law.**