

ORDINANCE NO. 359

**AN ORDINANCE ENACTING REAL PROPERTY TAX SALE PROCEDURES FOR THE "TAX SALE" AND
ASSESSING ADMINISTRATIVE COSTS TO DELINQUENT PROPERTIES**

WHEREAS, Section 59-2-1351-1(2)(b) of the Utah Code states that "the county legislative body, upon recommendation by the county auditor, shall establish procedures, by ordinance, for the sale of the delinquent property that best protects the financial interest of the delinquent property owner and meets the needs of local governments to collect delinquent property taxes due"; and

WHEREAS, the Box Elder County Auditor has recommended that the procedures set forth in this ordinance will best protect the financial interest of delinquent property owners and will meet the needs of Box Elder County to collect delinquent property taxes, and

WHEREAS, after having received the recommendation of the Box Elder County Auditor, the Box Elder County Commission has found and determined that the procedures set forth in this ordinance will best protect the financial interest of delinquent property owners and will meet the needs of Box Elder County to collect delinquent property taxes; and

WHEREAS, the Box Elder County Commission has further found and determined the procedures set forth in this ordinance are in the best interests of and will promote the general health, safety and welfare of the residents of Box Elder County;

NOW THEREFORE, the Box Elder County Commission, acting as the legislative body of Box Elder County, ordains as follows:

SECTION 1: ADOPTION of TAX SALE PROCEDURES. The following procedures are hereby adopted by Box Elder County for use in the conduct of its sale of delinquent properties to collect delinquent property taxes:

1.0 Purpose

- 1.1 In order to facilitate the sale of properties certified for the annual real property sale and to provide for a consistency of procedures, when, pursuant to Utah Code Annotated, Section 59-2-1351.1, the County Auditor conducts the annual real property tax sale, the sale shall be conducted in accordance with the provisions of this Article

2.0 Fees

- 2.1 An administrative fee of \$75 will be assessed for each delinquent parcel that goes to the Tax Sale. In addition, any parcel for which independent title work has been performed will have the cost of the title work added as an additional administrative cost. These administrative fees shall be added to the taxes, penalties and interest outstanding on each delinquent property.

3.0 Bidder Registration Procedures

3.1 All individuals interested in participating in the annual real property tax sale shall be required to preregister and receive a bid number in order to participate in the tax sale. An individual interested in bidding for more than one entity, shall be required to register for a bid number for each such entity. Tax deeds will only be prepared in the name of the successful bidder as shown on the bidder registration form. All tax sale participants shall be required to register before the tax sale bidding starts, to eliminate any confusion after the start of the tax sale.

4.0 Redemption Rights and Procedures

4.1 Property may be redeemed on behalf of the record owner by any person at any time prior to the time that bidding starts on the property at the Tax Sale following the lapse of four years from the date the property taxes became delinquent

4.2 A person may redeem property by paying to the County Treasurer all delinquent taxes, interest, penalties, and administrative costs that have accrued on the property.

4.3 All property redeemed within three (3) weeks prior to the tax sale must be paid by cash or certified funds to the County Treasurer

4.4 If any property is redeemed, the County Treasurer shall make the proper entry in the record of tax sales filed in the Treasurer's Office and issue a certificate of redemption, which is prima facie evidence of the redemption

5.0 Prohibition of Collusive Bidding

5.1 Collusive bidding is prohibited, and all bids submitted and the tax deed issued thereafter will only be executed in the name of an individual successful purchaser. Collusive bidding is defined as any agreement or understanding reached by two (2) or more parties that changes the bids the parties would otherwise offer absent the agreement or understanding. The County Auditor and/or the Board of County Commissioners have the right to reject any bid deemed collusive

6.0 Conflict of Interest Prohibitions and Disclosure Requirements

6.1 No employee of any County office connected with the Tax Sale may bid on or benefit from property offered for sale, directly or indirectly, except where the employee is the record owner or an abutting property owner.

6.2 Where a business associate or relative of an employee of any County office connected with the Tax Sale desires to participate in the Tax Sale, complete written disclosure of any relationships that might create the appearance of a conflict of interest must be made prior to the sale.

7.0 Criteria for Accepting or Rejecting Bids

7.1 Only the entire parcel of property being auctioned will be sold. No property will be reduced in size at the auction. A bid in an amount to pay the taxes, penalties, interest and

administration costs for the entire parcel of property may be accepted. Any amount received in excess of the above listed shall be treated as unclaimed property and paid the State Treasurer.

- 7.2 The Auditor shall open the bidding at an amount no less than the sum of taxes, penalties, interest and administrative costs owed on the property. This shall be the lowest acceptable bid for any particular property. After receipt of a minimum bid, the Auditor shall call out the next acceptable bid amount. Bidders will accept the Auditor's proposed bid amount by raising the number to bid on the parcel. Bidders will not be allowed to call out their own bid amounts or to bid on parcels for any amount other than the amount currently being presented by the Auditor. Bidders not willing to abide by this process will be asked to leave the auction and will not be allowed to bid on any other parcels.
- 7.3 The Auditor shall only recognize bidders by their bidder number. The bidder number first recognized by the Auditor shall be the first bid recorded. The bid recognized is the one in effect at the time.
- 7.4 The final bidder number announced by the Auditor shall be the official buyer. The Auditor will use the information provided on the Bidder Registration form in preparing the tax deed.
- 7.5 Once the County Auditor has closed the sale of a particular parcel of property as a result of accepting a bid on the parcel, the successful bidder or purchaser of the property may not unilaterally rescind the bid. The Board of County Commissioners, after the acceptance of a bid, may enforce the terms of the bid by obtaining a legal judgment against the purchaser in the amount of the bid, plus interest and attorney's fees.
- 7.6 A bid shall not be accepted for an amount which is insufficient to pay the taxes, penalties, interest, and administrative costs owing on the delinquent property.
- 7.7 The Board of County Commissioners may find that none of the bids are acceptable.

8.0 Sale Ratification Procedures

- 8.1 All accepted bids will be submitted to the County Commission for ratification in a reasonable time frame.
- 8.2 All bids accepted by the County Auditor at the annual real property tax sale are considered conditional and shall be submitted to the Board of County Commissioners for ratification. Any bid not ratified shall be deemed rejected and the bid amount paid shall be refunded to the bidder.

9.0 Criteria for Granting Bidder Preference

- 9.1 There shall be no preference granted by the County to any bidder at the annual real property tax sale

10.0 Procedures for Recording Tax Deeds

- 10.1 Upon payment by the successful bidder, the County Treasurer will issue a temporary receipt. After ratification by the Board of County Commissioners and after recordation, the County Auditor will mail the Tax Deed to the name and address listed on the bid sheet and bidder registration form.

- 10.2 When the deed is executed and delivered by the Auditor, it shall be prima facie evidence of the regularity of all proceedings subsequent to the date the taxes initially became delinquent and of the conveyance of the property to the grantee in fee simple.
- 10.3 The deed issued by the County Auditor under this section shall be recorded by the County Recorder.

11.0 Payment Methods and Procedures

- 11.1 The only acceptable methods of payment to the Box Elder County Treasurer for properties purchased at the annual real property tax sale shall be in cash, certified check, or money order. No personal checks will be accepted for payment.
- 11.2 The successful bidder shall pay the Treasurer by 5 PM on the day of the sale
- 11.3 The Treasurer will not accept payment without the signed Box Elder County Tax Sale Property Purchase Slip

12.0 Procedures for Contesting Bids and Sales

- 12.1 Any person wishing to contest any action taken in conjunction with the annual real property tax sale must file a written protest with the Board of County Commissioners of Box Elder County within ten (10) days after the date of the annual real property tax sale. The Board of County Commissioners will not grant hearings for purposes of contesting a bid or sale, but will instead render a decision based upon all information following a review of submissions. The Board may award the property to one of the bidders, reject all bids and order it re-offered for sale, or, upon a finding that it is in the best public interest, withdraw the property from the sale.

13.0 Unsold Property Struck-Off to the County

- 13.1 Any property offered for sale for which there is no purchaser shall be struck-off to the county by the Auditor, who shall then declare as follows: "All property here offered for sale which has not been sold to a private purchaser is hereby struck-off and sold the county of Box Elder, and I hereby declare the fee simple title of the property to be vested in the county"

14.0 Disclosing Properties Withdrawn from the Sale for Reasons other than Redemption

- 14.1 Box Elder County shall have the right and authority to remove any parcel of property from the annual real property tax sale for any reason at any time before or during the sale. Disclosure will be made by the County Auditor before or during the sale of all properties withdrawn from the sale for reasons other than redemption.

15.0 Disclaimers by the County with respect to Sale Procedures and Actions.

- 15.1 Properties sold during the annual real property tax sale shall be conveyed by Tax Deed. This form of deed is not a warranty deed. The County makes no representations as to the title conveyed, nor as to the purchaser's right of possession of the property. Similarly, the County makes no warranties or representations as to whether the property is buildable or developable, nor does the County make any representations regarding whether the property complies with applicable zoning regulations. The County does not warrant or represent that any property purchased during the Tax Sale is habitable or in any particular condition. The County also makes no warranties or representations regarding the accuracy of the assessment of the property or the accuracy of the description of the real estate or improvements thereon.

15.2 Box Elder County attempts to protect the rights of all parties by complying with all notice provisions of Title 59, Utah Code Annotated, 1953 as amended. While Box Elder County attempts to give notice to all property owners, and those persons, corporations, partnerships and entities with a substantial interest in the parcels of property, it does not perform a title search on each parcel of property due to budgetary and time constraints, and specific tax sales may be challenged on due process grounds.

15.3 If, at any time, it comes to the attention of Box Elder County that Box Elder County failed to notify a necessary party that a parcel of property was included in the annual real property tax sale, Box Elder County shall have the option, at any time, to invalidate the sale for the affected parcel. In the event that Box Elder County does invalidate the sale of a parcel of property, Box Elder County will refund any monies paid by the successful bidder for the parcel at the tax sale, together with interest thereon to the date of the refund. The successful bidder shall then be required to execute a quit-claim deed in favor of Box Elder County for the parcel of property in question. All bidders, by bidding at the annual real property tax sale, shall be bound by this provision of the ordinance.