

# 2016 TAX LIEN SALE

## BEFORE THE SALE

- ◆ Property tax liens to be sold are advertised one month before the auction, for three consecutive weeks in the Durango Herald beginning October 13, 2016.
- ◆ Advertisement is made in the Durango Herald and is also be available on the county website at [www.laplatacounty.org/](http://www.laplatacounty.org/), and on the auction website: <https://laplata.coloradotaxsale.com>
- ◆ Webinar training classes are available from RealAuction on October 19, October 28, November 3, or November 7, various times.
- ◆ Call 877-361-7325 to register.
- ◆ Complete the W-9 form online, <https://laplata.coloradotaxsale.com>. The Treasurer's Office must have a W-9 form on file in order for the investor to participate in the auction.
- ◆ Deposit 10% of what you expect to win during the auction. Follow the instructions on-line at: <https://laplata.coloradotaxsale.com>
- ◆ When you purchase a Tax Lien Certificate on a property, you become a lien holder. You are loaning funds to the owner of the property to pay their taxes. You are not purchasing the property! To obtain property ownership, a Treasurer's Deed must be applied for.
- ◆ A Treasurer's Deed, which entitles you to property ownership, can be applied for after 3 years of endorsing and holding a real estate tax lien, and one year after holding a tax lien on a mobile home.

## WHAT YOU NEED TO KNOW

- ◆ La Plata County's Tax Lien Sale will be held online November 15, 10:30 AM—5:00 PM, 2016. The website is: <https://laplata.coloradotaxsale.com>
- ◆ All bidders must register on-line and complete a W-9 form. A 1099 is sent to the investor and the IRS in January for income tax reporting purposes.
- ◆ The sale begins at 10:30 a.m. on November 15<sup>th</sup>. The auction closes at 5:00 p.m., Mountain Time. The bidding rules are posted on the auction website. The sale is conducted in auction fashion. Each tax lien is initially offered for the amount of taxes, accrued interest, and penalties due. If more than one bidder is interested in the lien, then a bid higher than the taxes owed may be made. The tax lien is sold to the person bidding the highest amount.
- ◆ Buyers pay the total advertised price consisting of taxes, delinquent interest and advertising fees. This is bundled together as the "principle" on which interest is paid to the investor. Buyers also pay a certificate fee and an auction fee, plus any premium bid. Interest is not paid on these monies.
- ◆ The person paying the highest amount is issued a Certificate of Purchase. This is a negotiable instrument representing a lien on the property. It is valid for 15 years. The certificate earns interest at the rate stated on the certificate, with portions of calendar months considered as whole months.
- ◆ Prohibited Bidders: No county official, employee, immediate family member or person acting as their agent may participate in the tax lien sale.

# BIDDER'S CORNER

## HOW TO PARTICIPATE:

- ◆ Register for a webinar, (10/19 or 10/28, or 11/3 or 11/7) by calling 877-361-7325. The website host, RealAuction will walk you through the process of how to bid online.
- ◆ Complete the W-9 form online. The Treasurer's Office must have a W-9 form on file in order for you to participate in the Auction.
- ◆ Deposit 10% of what you expect to win at the auction via ACH funds (direct deposit) according to website instructions. At the end of the auction you will authorize full payment for your purchases via ACH, or authorize the La Plata County Treasurer to refund your deposit via ACH.

AUCTION WEBSITE:  
<https://laplata.coloradotaxsale.com>

CUSTOMER SERVICE  
877-361-7325

**TAX LIEN INTEREST IS  
10% for the  
2016 TAX LIEN SALE**

## After The Sale

### Subsequent Years' Taxing

Tax lien certificate holders have first option to pay any subsequent year's taxes which remain unpaid as of August 1<sup>st</sup>. These tax liens will be endorsed on the original certificate at the same guaranteed rate of return of the initial purchase year.

### Treasurer's Deed Application

The investor may apply for a Treasurer's Deed on the property if the original certificate is held for three years. Deed application involves:

- ◆ Completed application
- ◆ Remittance of \$1,500.00 deposit against all deed expenses including but not limited to:
  - advertising fees
  - certified mailing fees
  - title search fees
  - miscellaneous legal fees
- ◆ Allow a minimum of 4 months and maximum of 6 months prior to deed issuance.

Once application is made, **the Treasurer's Office is responsible for the following:**

- ◆ Completing a title search
- ◆ Notifying anyone with a legal interest in the property
- ◆ Advertisizing the pending action on the property

All deposit monies will be returned to the investor if redemption is made before deed issuance.

**Note:** Tax Lien Certificates are extinguished after 15 years. It is suggested that you apply for a Treasurer's Deed prior to 15 years to protect your investment. Please contact the Treasurer if you have questions regarding the tax lien or deed process.

## General Information

Purchasing delinquent tax liens is a popular form of investment.

- ◆ You become a lien holder on the property when you purchase a tax lien certificate.
- ◆ You purchase the tax lien, **NOT** the property! Transfer of deed, property ownership, occurs in less than one percent of all tax lien purchases in La Plata County.
- ◆ Purchase of a tax lien is an investment. This investment earns interest, which is reported to the IRS. The tax lien purchase can be thought of in terms of a certificate of deposit, however there are some risks. Bankruptcy, destruction of the property, or condemnation are some of the risks one should consider before investing. Redemption of the certificate is at the pre-set interest rate of certificates for the year in which the tax lien was purchased.
- ◆ Each year the Colorado Banking Commission determines the interest rate of return. This rate is the same for the life of the certificate. The annual percentage rate is set at nine points above the federal discount rate as of September 1 of each year.
- ◆ **THE INTEREST RATE IS 10% FOR THE NOVEMBER 2016 SALE!**



**ALLISON AICHELE**  
**La Plata County Treasurer**

**2016 TAX LIEN SALE**  
**INFORMATION**

### ON-LINE AUCTION

November 15th, 10:30 AM—5:00 PM

### REGISTRATION:

Register on-line at

<https://laplata.coloradotaxsale.com>

### DEADLINE FOR REGISTRATION:

November 9th

(This allows time for your ACH deposit of 10% to "settle" with the on-line auctioneer's bank.)

Treasurer's Office

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