

BACK TAX SALE

FREQUENTLY ASKED QUESTIONS

Q – When, where and what time is the back tax sale held?

A - State law requires that the sale be held on the fourth Monday in August of each year in or near the County Courthouse. Sale time is 10:00 a.m.

Q – How many years must a property be delinquent before it is offered for sale?

A - In Barry county, a property must be delinquent three years before it is offered at a back tax sale. Some Missouri counties offer after two years or some after one year.

Q – How much do I have to pay to buy a property at a back tax sale?

A - The sale is conducted like any other public auction. The starting bid is the combined amount of the unpaid tax, interest, penalty, advertising cost and any other cost related to the sale. If more than one person bids on the property, the property is sold to the highest bidder, and the cost would be the amount of the final bid. If you are the successful bidder, you must pay the amount of your bid before 4:00 p.m. of the sale date.

Q – What happens to the dollar amount that is paid for a property in excess of the amount of the tax and related costs?

A - This amount is called “overplus” or “surplus”. This money is turned over to the County Treasurer. The owner of record at the time of the sale is entitled to the money. If the property is not redeemed or the owner does not come forward and ask for the money, it is given to the school district in which the property lies after three years.

Q – Can out of state residents buy at the tax sale?

A - If you are an out of state resident and wish to purchase property, you must have a Missouri resident acting as your agent. Property purchased on your behalf is required by law to be put in your agent’s name. Once the collector’s deed is recorded, the agent will need to quit claim it to you.

Q – Is the property mine the day of the sale?

A - If you are the successful bidder on the day of the sale, you will receive a “Tax Sale Certificate of Purchase” within 10 days. This “Certificate” becomes a part of the permanent record in the Collector’s office and verifies that you were the successful bidder on the day of the sale. After a one year waiting period, you can present your “Certificate” to the County Collector in exchange for a “Collector’s Deed”. Once the “Collector’s Deed” is properly recorded, you are the lawful owner of record.

Q – Why must I wait one year before receiving a deed?

A – Because the owner of record on the day of the sale has a one year right to redeem the property. That is, any time during the next year following the day of the sale, the owner can come forward and pay to the Collector all tax, interest, penalty, advertising cost and all related costs and will again become the full owner of record. This is called “Redeeming the property”.

Q – If someone “Redeems” his/her property, how do I get my money back?

A- If the property is “Redeemed”, the County Collector will collect the money from the original owner or person with vested interest. You will then receive all the money on the day of the sale plus interest (interest is paid only on the amount of unpaid tax & expense of the sale and is not paid on the surplus) from the County Collector. Once you receive the money your “Tax Sale Certificate of Purchase” becomes invalid and must be returned to the Collector at the time you receive your money back.

Q – Who pays the taxes during the one year redemption period?

A- You, the holder of the “Tax Sale Certificate of Purchase”, will be billed for the tax during the one year redemption period.

Q – What can I do to the property to improve or change it during the redemption period?

A - We do not recommend making any improvements. That is entirely up to you. Just remember anything you do or money you spend on the property could be lost if the property is redeemed.

Q – Does a back tax sale clear the property of all other liens?

A - No. The only lien that is cleared through the tax sale process is the property tax. The property may also have other liens such as mortgage(s), income tax liens, judgments, levies, etc.

Q – How would I know or find out about other possible liens against the property?

A – Missouri statutes require that a title search be done by a reputable title company or attorney’s office.

Q – If a property does have other liens, how do I get them removed from the record?

A- You are required to do a title search. It may be done anytime after the tax sale **BUT** you will not get reimbursed on your costs if done before March 1st. You must notify by certified mail (with a return receipt & two additional 1st class letters) any lien holder as well as the previous owner of your intent to apply for and record a collector’s deed. If you do not receive back a response from any lien holder within the 90 days period, they are forever barred from enforcing their lien against you and the property (except a federal lien). The reason you must notify the previous owner is to provide a warning that the one year redemption period is ending.

Q – How do I obtain a list of the properties prior to the sale date?

A- The list of properties to be offered at the sale is published in a newspaper that has county wide distribution once a week for three consecutive weeks with the last publication at least 15 days prior to the sale date and the properties are listed on the collector’s website at www.barrycountycollector.com. If payment is made anytime prior to the scheduled hour of the sale, that property will not be offered.

We highly encourage you to read chapter 140 in the Missouri statutes to be familiar with tax sale procedures.