

RULES and PROCEDURES TELLER COUNTY TAX LIEN SALE 2016

Tax Lien Sale

Our Tax Lien Sale will be conducted on the internet again this year. The internet auction service will also have a practice website for you. We strongly recommend that you visit the practice website at www.Zeusauction.com. The Treasurer's Office will have a computer available for public use in the Treasurer's Office in Cripple Creek.

General Information

The tax lien sale will be held as an internet auction administered by SRI Inc. The sale will begin November 4, 2016 at 8:00 am MST and end on November 7, 2016 at 4:00pm MST (NOTE: Daylight Savings Time ends November 6th). Auction items available for bid will be listed in the PIKES PEAK COURIER VIEW and on the Teller County website www.co.teller.co.us beginning October 14, 2016. The list will also appear on the SRI Inc. website, www.Zeusauction.com just prior to the sale.

Bidding will close on the last day of the sale, in batches of 200 parcels each, at 2pm and 3:00 with the remaining balance closing at 4:00pm MST.

There will be a computer available for public use in the Treasurer's Office at the Teller County Courthouse, between the hours of 8:00am and 4:30pm, Monday – Friday.

Technical questions regarding the operation of the auction website should be addressed to SRI Inc. through their customer service contact at 1-800-800-9588 between the hours of 8:00am and 5:00pm, Monday – Friday, on weekends contact SRI at support@zeusauction.com.

Questions regarding tax lien certificates and the sale should be addressed to the Teller County Treasurer's Office at (719)689-2985.

2016 Tax Lien Sale interest will accrue at 10% per annum

BEFORE BIDDING ON AN ITEM, YOU SHOULD FULLY UNDERSTAND YOUR RESPONSIBILITIES AS A BUYER AND YOU SHOULD KNOW THE ITEM ON WHICH YOU ARE BIDDING.

YOU ARE NOT BUYING THE LAND! This is merely a lien against the property, but it is first over all other liens. The owner of the property has the legal right to redeem the tax lien up to the day a Treasurer's Deed is to be issued. It must be understood that the sale and purchase of a tax lien does not, as it might under simple sales and purchase agreements, convey the right of possession, use, improvement or access to said property.

It is your responsibility to research the quality and classification (zoning) of the property on which you intend to bid. Although the Treasurer's Office makes a significant effort to be aware of potential problem liens and therefore withholds them from sale, ultimately the sale is a "BUYER BEWARE SALE". Therefore, it is the recommendation of the Treasurer that you consult with private legal counsel prior to participation in the tax lien sale.

CAVEAT EMPTOR (BUYER BEWARE) neither the auctioneer nor the seller makes any warranties or representations of any kind or nature with respect to said property. All sales are final. Buyer relies solely on his/her own judgment when bidding.

The item number and total tax lien dollar amount of each lien will be displayed on the auction site.

Once a bidder has placed a bid amount, it cannot be lowered, retracted or cancelled for any reason.

How it Works:

Every parcel will be offered in compliance with Chapter 39, Article 11, of the Colorado Revised Statutes. The tax lien sale will be held as an Internet auction administered by SRI Incorporated. The liens to be auctioned will be published in the Pike's Peak Courier View newspaper on October 5th, 12th & 19th; they will be listed on the Treasurer's website (www.co.teller.co.us) by October 14th, 2016. The listing on the SRI website, www.Zeusauction.com will be posted a few days prior to the commencement of the sale along with the bidding rules. The bidding rules will be posted by October 14th on the Teller county website.

www.co.teller.co.us or www.Zeusauction.com

Bidding will begin on November 4th at 8:00am MST. The auction will close in batches of 200 parcels on November 7, 2016 starting at 2:00pm, 3:00pm and the remainder closing at 4:00pm MST. Invoices are sent for each batch, you may receive multiple invoices.

Proxy Bidding - The process of Proxy Bidding includes the system automatically increasing each competitive bid amount by one dollar (\$1.00) increments, until you or the competitive bidder has reached the maximum bid placed for that parcel.

Bidding will begin with the amount of taxes, interest, fees and auction cost due per C.R.S. 39-11-106. Any bid above the minimum amount is considered a PREMIUM BID. You do not receive any interest on the premium bid, nor is it refunded if the property is redeemed.

DEEDING PROCESS:

In the event the lien remains unredeemed, the certificate holder has the right of paying subsequent years' delinquent taxes (endorsing) after August 1 of that year. Three years from the date of the original sale, if the lien remains unredeemed, the certificate holder may apply for a Treasurer's Deed to the property. Certificates sold in 2016 are eligible for application of a Treasurer's Deed in 2019. The deed process takes six to eight months to complete. Extension of that time frame may occur if there are complex issues related to the property. When application is made, a deposit is required to pay all related deed expenses pursuant to law. The deed deposit is currently \$400.00. Prior to deed application, all subsequent taxes, special assessment liens and current taxes must be paid and endorsed onto the certificate.

All deeds and redemption checks will be written in the name under which you are registered.

REDEMPTION OF LIEN:

If the tax lien is redeemed, you will receive interest at a rate of nine percentage (9%) points above the national bank discount rate as of September 1st of the year of the sale. Subsequent taxes paid and endorsed to a certificate earn the same interest as that of the original tax lien sale purchase. Interest is paid on the total taxes, interest and fees when redeemed by the property owner. Interest is not paid on premium bids or deed deposits. Approximately 95% of the tax liens in Teller County are redeemed; most of them within the first year.

The interest rate for the 2016 Tax Lien Sale will be 10%

WRONGFULLY SOLD LIEN:

If a lien is wrongfully sold and the County must pay the certificate holder the accrued interest, the rate will be 8% per annum.

ENDORSEMENT OF TAX LIENS:

If the taxes for the following year become delinquent, you will be given the opportunity to pay (endorse) the taxes and add them onto your certificate. This enables you to pay the delinquent taxes and add them to your existing tax lien certificate of purchase. You will receive the same interest rate on the subsequent taxes as you did on the original tax sale purchase. Endorsements are processed in August. If your certificates are eligible for endorsement you will be notified with your endorsement packet in July.

Registration

All potential bidders must register with the Auction Provider SRI Inc., including all past Teller County bidders. Once a bidder has registered for the auction, the bidder will be subject to approval by the Teller County Treasurer's Office and SRI Inc. Registration will begin October 24, 2016 at 8:00am and continue through November 4, 2016 at 5:00pm. If you register during the sale we cannot guarantee approval to bid prior to the closing of the auction. Please register early.

Bidders are responsible for verifying that the information supplied on all registration forms is entered correctly. **The name under which you register on the IRS W9 form will appear on your tax lien certificates of purchase.**

It is the responsibility of the bidder to inform the Teller County Treasurer of any address changes.

The bidder must complete the W-9 Form online using the secure auction system (Name, Address, Social Security or FEIN Number) and electronically sign the form.

The bidder must also electronically sign an affidavit stating that they are legally qualified to participate.

Teller County Elected Officials, Appointed Officials and Employees, including immediate family and agents are prohibited by state statute from participating in the tax lien auction (C.R.S. 39-11-151).

Internet Auction Process

All auctions for tax lien sales have a required minimum bid. The amount is posted on the item as the starting bid. The starting bid includes all taxes, advertising, penalties, interest and costs due to the county as well as the auction fee of \$6.00. The \$6.00 fee that is paid to the auction company is included as part of your tax certificate amount. The first acceptable bid must be for the amount of the starting bid.

Proxy Bidding – The process of Proxy Bidding includes the system automatically increasing each competitive bid amount by one dollar (\$1.00) increments, until you or the competitive bidder has reached the maximum bid placed for that parcel. You may enter the maximum amount you are willing to bid for an item in the bid box.

Your Maximum Bid is **confidential** and will be used by our system to increase your bid automatically in case another bidder outbids you. Our system will only bid high enough to outbid the current high-bidder, according to the \$1.00 minimum bid increment. This can be a very nice feature because it allows the system to bid on your behalf so you don't have to constantly monitor an auction.

Each item will have the closing time for that listing in the parcel information.

You may bid or track more than one item at a time in the list. You may also click on the title of an item for more information and bid from there.

You may add an item to your Members Area Watch List without placing a bid. Just check the box and you will be able to view the status of the item quickly, along with the rest of the items you have tracked or bid on, by logging in to the Members Area.

By placing a bid, you are placing a legally-binding and irrevocable offer to purchase the item at any price up to your maximum bid amount. If your bid is the high bid and accepted by the seller, you are legally obligated to complete the transaction. Failure to complete the transaction is a breach of the User Agreement and may be grounds for legal action by SRI Inc. Additionally; SRI Inc. will suspend or terminate your user account if payment is not made according to these terms and conditions and we deem such action as appropriate.

Internet Auction Closing

Each auction item has its own ending time listed on the bidding form and will end automatically at that time. A bidder should not wait until the last few seconds of the auction to place a bid. Bids are processed in the order that they are received. If a bid is received prior to the close of the auction, but processed after the item closed, the bid will be treated as if it were placed after the item closed and will not be accepted.

Upon completion of the sale, you will receive from the Teller County Treasurer an itemized list of each parcel purchased and a copy of the Tax Lien Sale Certificate of Purchase. The Certificate will be issued in statutory form showing the legal description, purchase amount, rate of interest, buyer's name and the date of sale. Certificates will only be issued in the name under which the buyer registered. The original Certificate of Purchase will be held in the Treasurer's vault for safekeeping. Leaving your certificates with the Treasurer has the advantage of receiving payment sooner when redemption is made (the original Certificate must be surrendered to receive your payment) and allows for endorsing without having to find your certificate(s), and mailing or bringing them in to the office.

Bidding will close on the last day of the sale, in batches of 200 parcels each, at 2pm and 3:00pm with the remaining balance closing at 4:00pm MST.

It is the bidder's responsibility to initiate the funds per the payment instructions on the auction website at the end of the auction.

Payments

Payment for all winning bids shall be made by electronic check or credit card, Visa, Master Card and Discover. These are the only approved forms of payment. The portal administration fee for using an e-check is \$4.00. The portal administration fee for using a credit card is 2.5% of the total on the invoice, plus \$2.00.

AT THE CLOSE OF EACH BATCH, YOU WILL RECEIVE, BY EMAIL, A SUMMARY STATEMENT INDICATING THE AMOUNT OF YOUR SUCCESSFUL PURCHASES. AT THE CONCLUSION OF THE SALE, AND AFTER ALL BATCHES HAVE CLOSED, YOU WILL RECEIVE, AGAIN BY EMAIL A FINAL PAYMENT INVOICE WHICH WILL INCLUDE ALL OF YOUR SUCCESSFUL PURCHASES FROM EACH BATCH. THIS IS THE ONLY INVOICE YOU WILL RECEIVE! PLEASE INITIATE YOUR PAYMENT, FROM THIS FINAL INVOICE, WITHIN 24 HOURS OF THE CLOSING OF THE SALE.

All payments must be initiated no later than 24 hours from close of the sale.

Non Payments or payments that are rejected due to lack of funds or other reasons may result in cancellation of the corresponding bid(s) subject to CRS 39-11-116.

Terms and Conditions of Auction

The auctioneer reserves the right to withdraw any item at any time prior to the time of sale of such item.

Should a dispute arise after the auction, the auctioneer's records shall be conclusive.

By bidding on any item, the bidder shows acceptance of the terms of the auction.

Bidder does hereby indemnify and hold harmless Auctioneer and Seller from any and all damages, claims, or liabilities from injuries to persons or property of any type whatsoever, caused before, during, or after the auction.

Teller County Elected Officials, Appointed Officials and Employees, including immediate family and agents are prohibited by state statute from participating in the tax lien auction (C.R.S. 39-11-151). **All bidders will be required to electronically sign an Affidavit stating they are qualified to legally participate in the auction.** SRI, Inc. is offering a service for buyers to bid through an online auction format. SRI, Inc. may take action against a registered user for their conduct, and reserves the right to exclude any company or individual from access to our services if we determine their action to be inappropriate.

The Internet being the fragile environment that it is, SRI, Inc. cannot be held responsible for server down time, or your inability to access our site. Notifications sent by email may possibly take longer than expected, and cannot be counted on to inform you of an item's status. In the event of technical problems, we reserve the right to cancel, restart, or extend an auction as the circumstances may dictate.

The above stated Terms & Conditions of Auction cannot be altered except in writing by all parties of the contract, or by verbal changes to terms given by Auctioneer at time of auction.