

Cleveland County's Guidelines on Tax Foreclosed Properties

THE CLEVELAND COUNTY GUIDELINES REGARDING THE SALE OF REAL PROPERTY OWNED BY CLEVELAND COUNTY AS A RESULT OF A TAX FORECLOSURE SALE

Purpose. The purpose of this policy is to establish a system that will promote a fair and effective means for anyone to buy property which Cleveland County has obtained at a tax foreclosure sale.

Authority. Cleveland County hereby adopts this policy under the authority granted by North Carolina General Statutes G.S. 153A-176, 160A-266 and 160A-268.

Section I: Overview of Bid Process

1. Cleveland County (the County) will accept sealed bids on real property which the County has obtained through a property tax foreclosure proceeding and which are identified by a parcel identification number.
2. Bids may be submitted at any time. No specific date will be set for an initial bid.
3. All bids must be submitted to the Clerk to the Board of Commissioners and the bidder will be required to pay to the County a bid deposit in the amount of 5% of the proposed bid or \$150.00, whichever is greater. All deposits must be in the form of certified funds or cash and must accompany the offer.
4. All bids will be date and time stamped upon receipt.
5. Thirty (30) days from the date of publication shall be allowed for the acceptance of sealed bids.
6. The property shall be advertised in a newspaper of local circulation as a "Public Notice for Sale of County Property." Such notice shall state that sealed bids are being accepted and at the end of 30 days the highest bidder will be awarded the property, with approval from the Board of Commissioners. If more than one high bid in the same amount is received, the first bid received in the highest amount shall be awarded the property. All funds for closing must be paid in cash or certified funds.
7. The successful high bidder will be responsible for all advertisement fees. Should the successful bidder fail to complete said transaction, the cost of advertising shall be deducted from bidders deposit amount prior to the issue of a refund of bid deposit.
8. The successful high bidder will be responsible for paying deed recording fees and stamps (excise tax).

9. The County reserves the right to withdraw property from sale at any time prior to the approval of bid by the Board of Commissioners and also reserves the right to reject all bids at any time.
10. The Cleveland County Board of Commissioners may at any time reject any bid received.
11. The Clerk to the Board of Commissioners shall open all bids on the first business day following the thirtieth (30th) day of the sealed bid period.
12. The highest bid shall go before the Board of Commissioners for acceptance of the offer and authorization of sale within thirty (30) days of identifying the high bid.
13. Upon approval of sale by the Board of Commissioners, the bidder shall pay his bid to the County in its entirety, including the cost of advertisement, recording fees and stamps.
14. After the bidder has made payment to the County for the entire amount of his bid, advertisement cost, recording fees and stamps, the County shall have recorded and deliver a Quitclaim Deed to the bidder.

Section II: Responsibility of Parties

A. Responsibility of Personnel

1. County personnel shall inform property bidders that all foreclosed properties are listed on the county's website, posting boards located in the administrative office building and advertised semiannually (January & July) in the local newspaper. A listing of properties can be picked up in the lobby of the administrative office building and County Manager's office.
 - a. County Website
The Clerk to the Board of Commissioners and Paralegal shall keep this site updated with a listing of foreclosed properties owned by the county.
 - b. Posting Boards
Tax Collection Paralegal shall keep a listing of foreclosed properties owned by the county posted on all boards in the administrative office building.
 - c. Newspaper

The Clerk to the Board of Commissioners shall prepare an advertisement of foreclosed properties owned by the county and run semiannually (January & July) along with bidding instructions in the local newspaper. Advertising fees will be split among properties advertised and such portion added to the minimum bid amount accepted for the sale of the subject property.

d. Listing Sheets

Tax Collection Paralegal shall prepare a listing of foreclosed properties owned by the county. Listing sheets will be available for pick up in the lobby of the administrative office building and the County Manager's office.

e. For Sale Signs

Tax Collection Paralegal and one other tax department staff person shall place For Sale signs on foreclosed property owned by the County.

f. Letters to Adjoining Property Owners

Tax Collection Paralegal shall mail letters to adjoining property owners of foreclosed property owned by the County.

B. Responsibility of Initial Bidders on Foreclosed Property

1. Any person interested in bidding on foreclosed property owned by the County shall properly identify the parcel of interest with the parcel identification number. This number may be obtained from the County Assessor's Office, listing sheets or the website.
2. Any person interested in buying foreclosed property owned by the County shall obtain the amount of the county investment. This may be obtained from the County's Website, board postings and listing sheets.
3. It is the bidder's responsibility to have a title search completed prior to placing his bid.
4. After obtaining the parcel identification number and amount of county investment, the bidder shall submit his bid to the Clerk to the Board of Commissioners. The bidder must identify the property by the parcel identification number.
5. The minimum bid accepted for each parcel will be the amount of the county investment or 50% of the tax value, whichever is greater.

6. The bidder shall submit at the time of offer, funds for deposit. Such funds shall consist of the following: a bid deposit in the amount of 5% of the bid, or \$150.00, whichever is greater. All deposits must be in the form of certified funds.
7. All bids must be submitted within thirty (30) days from the date of publication of the initial bid.
8. A bid will only be considered when submitted as provided in paragraphs one (1) through six (6) of this section.
9. Following the advertisement and opening of bids, the highest bid shall go before the Board of Commissioners for acceptance and authorization of sale. If the Board accepts the bid and approves the sale, the bidder shall be required to pay the entire bid price, recording fees, revenue stamps and advertisement cost to the County before receiving a Quitclaim Deed. The County shall be responsible for recording the deed. It is the bidder's responsibility to pay stamps (excise tax) and recording fees.
10. The successful bidder only will be notified within 72 hours of the acceptance of bid. Bidders requesting results of a bid must forward a written request along with a self-addressed, stamped envelope. To: Tax Collection Paralegal, PO Box 370, Shelby, NC 28151.
11. All unsuccessful bidders will have their certified checks returned within five (5) business days.
12. Full payment is due within five (5) business days of notice of an acceptance of Bid. The winning bidder will receive a telephone call and an e-mail, fax, or letter (in order of preference of the County) with payment and pick-up instructions.
13. All property is sold "AS IS."
14. By submission of a bid, the bidder acknowledges acceptance of these terms and conditions.

C. Responsibility of County Tax Collection Paralegal

1. The Paralegal shall market property as described in Section II: A (1)-(a-f).
2. Upon notice from the Clerk to the Board of Commissioners, at the end of the thirty (30) day sealed bid period, the Paralegal shall prepare the Quitclaim Deed and deliver to the Clerk.
3. If the Board of Commissioners grants final approval of the bid and authorizes the sale by signing said Quitclaim Deed, the Clerk then notifies the Paralegal.

4. Bidders requesting results of a bid must forward a written request along with a self-addressed, stamped envelope. To: Tax Collection Paralegal, PO Box 370, Shelby, NC 28151.
5. The Paralegal shall check and confirm that the Quitclaim Deed has been recorded and continue follow up until such time the deed is recorded.

D. Responsibility of Clerk to the Board

1. The Clerk shall market property as described in Section II: A (1)-(a-f).
2. The Clerk to the Board of Commissioners shall create a file on the subject property. Such file shall include all bids and deposits.
3. The Clerk to the Board of Commissioners shall date and time stamp the Offer to Purchase immediately upon receipt.
4. The Clerk shall collect the bid deposit. All deposits shall be submitted with each offer. An offer will not be considered valid until both are received.
5. The Clerk shall prepare and deliver for advertisement to newspaper a copy of the advertisement (Public Notice for Sale of County Property). The advertisement shall run one time and on any day. The Clerk shall note the date the advertisement will appear in the paper on the bottom of the advertisement. The Clerk shall request the newspaper to send an Affidavit of Publication to the Clerk to the Board of Commissioners after publication.
6. The Clerk shall file a copy of the newspaper clipping and publication in the file.
7. The Clerk to the Board of Commissioners shall be responsible for adding all necessary documents to the agenda packet for presentation to the board.
8. The Clerk shall have the Deed for signature at the Board of Commissioners meeting at which the bid is presented for final acceptance and authorization of sale.
9. If the Board of Commissioners grant final approval of the bid and authorizes the sale, the Clerk shall make sure that all necessary documents (the deed, etc) are properly signed and attested.
10. The Clerk will only notify the successful bidder within 72 hours of the acceptance of bid. The Clerk shall inform winning bidder that full payment is due within ten (10) business days of notice. The Clerk shall contact the winning bidder by telephone call and an e-mail, fax, or letter (in order of preference of the County)

with payment and pick-up instructions. All fees must be paid with cash or certified funds only.

11. The Clerk shall collect the unpaid balance of the purchase price and fees for advertisement from the bidder.

12. The Clerk to the Board of Commissioners shall forward the deed to the bidder upon the bidder's payment of his entire bid amount, advertisement cost, recording fees and stamps. It is the bidder's responsibility to pay excise tax and recording fees. All funds must be certified or cash and deposited through the County Finance Office. It is the responsibility of the Clerk to have the Quitclaim Deed recorded.

This policy regarding the Sale of Real Property owned by Cleveland County as a result of a Tax Foreclosure Sale is hereby approved, this the ____ day of _____, 2008.

BY: THE CLEVELAND COUNTY BOARD OF COMMISSIONERS

Jo Boggs, Chairwoman

ATTEST:

Clerk to the Board