**01/14/2021**

**CT Tax Lien**

1. Tax Authority: City and Town Tax Collectors
2. A list of foreclosures and tax lien sales <https://publicrecords.onlinesearches.com/connecticut/property-records/foreclosures> (most leads to a specific town’s website)
3. http://cttaxsales.com/
4. Over the Counter: Connecticut does not offer over the counter redemption deeds.
5. Cities with a lot of tax lien sale: Hartford,CT , East Hartford, CT <https://www.easthartfordct.gov/sites/g/files/vyhlif526/f/uploads/what_is_a_tax_lien_sale.pdf>
6. Connecticut Municipal Tax Liens:

<https://www.cga.ct.gov/current/pub/chap_205.htm>

# Federal Tax Liens**:**

<https://www.irs.gov/irm/part5/irm_05-017-002>

1. CT list of Towns:

<https://en.wikipedia.org/wiki/List_of_towns_in_Connecticut>

See Appendix A for a list of towns at least partially covered by the cttaxsales.com

**4.1 Group name: 康州实践小分队**

**4.2 Members: 攀攀妈，亦乐， 溪水, Grace, 贾 yanli**

**4.3 Tax liens, tax deeds or redemption deeds?**

Redemption deeds. It lists tax deed sales, not tax lien sales. This means that you are bidding to buy the property itself rather than the right to foreclosure it in court.

**4.4 When are the taxes assessed and when do they become delinquent?**

In Connecticut , the assessment date is October 1 (Chapter 203 - Sec. 12-62a). State law provides a 30-day grace period for a property tax payment (Chapter 204 - Sec. 12-142). If a taxpayer fails to pay the tax after the 30-day grace period (November 1), the payment is delinquent.

**4.5 How does it occur, online, or in person?**

Unless the municipality announces otherwise, bids must offer in person at the auction rather than by mail or phone.

**4.6 How does the bidding work (do you bid down the interest rate, pay a premium, or bid down ownership interest)?**

Premium bid. The property is auctioned to the highest bidder. The minimum bid will be an amount determined by the municipality. Bidding will increase in an orderly fashion and as appropriate to maximize the final price.

**4.7 What are the sale procedures and does the local government have a brochure or printed materials that outline the process?税务销售流程？政府是否提供小册子或印刷材料概述过程？**

Steps:

1. The owner of record is mailed a letter demanding payment of the total delinquency at his or her last known address.
2. Between week 9-12: 3 notices are mailed to everyone who has recorded an interest in the property in the town clerk’s office. Notices of the tax sale are advertised in a local newspaper three times, and are also posted near the property or the clerk’s office. All delinquency information is available to the public on request.
3. Auction registration: registration takes place at the time and place of the auction, nott before. Any member of the public (other than the owner and encumbrancers) may bid on the property so long as he or she has a nonrefundable deposit in a minimum amount announced by the municipality. The deposit must be in certified funds like a bank check; personal checks or home equity line checks are not acceptable. Bidders must also bring government-issued ID and be prepared to provide a social security number (if bidding in their own name) or federal tax identification number (if bidding for an entity). Any member of the public may attend and observe the auction, but only those who register can bid.
4. Auction: offline at town hall, municipal office, or the property itself (Q: what about covid-19 process? ) Property will be sold to the highest bidder. If the bid is too low, the town can take the title to the property or reschedule the auction.

Property can not be inspected besides a curbside inspection. s. The municipality has no power to let interested bidders enter a property being auctioned at any time. Property is sold “as is” in every way. There is no guarantee that the property is buildable, up to code, usable for any purpose, title-insurable, or worth the money paid for it.

1. After the auction. a notice identifying the highest bidder and price is sent to the owner and everyone else with a recorded interest in the property. This is also published in a local newspaper. The tax collector signs a deed transferring the property to the highest bidder, but holds it in the clerk’s office for six months. Nothing else happens during this time. The taxpayer continues to own and use the property; the highest bidder still cannot enter, alter, or sell it. If the highest bidder wants to, he or she may buy insurance to protect the property from fire or loss. (The municipality can give no advice as to whether you should obtain insurance of any kind and cannot recommend any particular insurer.)
2. Title transfer. 6 months after the auction, the deed which the tax collector signed is officially recorded in the land records. The highest bidder owns the property “free and clear” of other liens and encumbrances at that time, except certain kinds such as easements and other taxes. For example, the purchaser generally need not pay off the property’s mortgages and judgment liens (unlike in some court foreclosures). The purchaser must pay any taxes and water/sewer charges owed to the municipality conducting the sale which occur after the first sale notice filed in the land records unless they were included in the purchase price. It is solely up to the purchaser to evict any “holdovers” – like the former owner – by legal methods. The purchaser can ask the tax collector to put an affidavit in the land records explaining the details of the tax sale, which may be needed to apply for title insurance.
3. If there is iRS lien, IRS can redeem the deed within 120 days after the Title Transfer.If IRS did not redeem within 120 days, the IRS lien can be removed.

Reference: <http://cttaxsales.com/wp-content/uploads/2020/11/GENERAL-INFORMATION-ABOUT-TAX-SALES.pdf>

**4.8 What are interest rates or penalties to be earned?**

Deeds that redeem payout an 18% annual interest rate (or 1.5% per month) return on the full investment amount.

One exception is that if IRS has liened the property and decided to redeem the property (within 120 days post-auction date), the monthly interest is only 0.5%.

**4.9 If redemption occurs mid-month do you get the entire month’s interest?**

The computation of interest for each fractional part of a month in which any portion of the principal tax remains unpaid shall be calculated on the whole month.

( ref: <https://www.stamfordct.gov/tax-collection/pages/interest-fees> : per Connecticut General Statute 12-146 )

**4.10 Are physical certificates printed and what is the timing of their receipts?**

The tax collector signs a deed transferring the property to the highest bidder, but holds it in the clerk’s office for six month (redemption period). Nothing else happens during this time.

**4.11 What is the redemption period and can property owners be contacted during the redemption period?**

The redemption period is 6 months. No contact with property owner is allowed

**4.12. What are the redemption rights of the property owner?**The owner or anyone else with a recorded interest in the property can “void” the auction up to six months after it happens. He or she pays the total delinquency as of the sale date, including the costs of the auction, plus 1.5% per month interest on the winning bid (not on the delinquency), plus any additional debts owned to the municipality not recovered by the auction procedure.

**4.13 What is the life of lien? When does it expire?**

N/A, since it is not tax lien.

**4.14 How about foreclosure process?**

The is tax deed sale, not tax lien sale, which means that buyers are bidding to buy the property itself rather than the right to foreclose it in court.

**4.15 Is a quiet title suit required?**

Probably, need more research.

**4.16 How does the holder of the tax lien take ownership if redemption does not occur?**

Six months after the auction, the deed which the tax collector signed is officially recorded in the land records. The highest bidder owns the property “free and clear” of other liens and encumbrances at the time, except certain kinds such as easements and other taxes. The purchaser must pay any taxes and water/sewer charges owed to the municipality conducting the sale which occur after the first sale notice filed in the land records. The buyer needs to evict any “holdovers” – like the former owner – by legal methods.

**4.17 What is the expected period before clear title can be obtained?**

Six months after the tax sale, the deed which the tax collector signed is officially recorded in the land records. The highest bidder owns the property “free and clear” of other liens and encumbrances at that time, except certain kinds such as easements and other taxes. Clear title is probably required.

**4.18 What other items or situations impact the priority status of the liens?**

Tax lien should have super priority except IRS liens.

**4.19 Are there special noticing requirements in existence that could impact the status or priority of the tax lien?**

The owner is mailed a letter demanding payment of the total delinquency at his or her last known address. After that, three notices are mailed over a nine- to twelve-week period to everyone who has recorded an interest in the property in the town clerk’s office. Notices of the tax sale are advertised in a local newspaper three times, and are also posted near the property or the clerk’s office.

**4.20 Are there any put-back provisions that would allow the purchaser to put back the lien to the municipality (bankruptcy, incorrect advertisement, etc.)?**

Bankruptcy or other federal or state law.

**4.21 Are subsequent taxes available for purchase? If yes, what rate?**

N/A since this is a redeemable tax deed sale. The purchaser probably needs to pay subsequent taxes.

**Here is a past tax sale example:**

<https://www.trulia.com/p/ct/coventry/243-woodland-rd-coventry-ct-06238--2004894934> Waterfront property. Sold for $180k, valued at $280k. 这个房子的拍卖时间是2020年1月14号，六个月的redemption时间是到2020年7月13号，但是根据官方记录，这个房子在2020年4月15号易主，以20万卖给了CT本地的投资人。所以可以得出结论，以18万在tax sale上竞拍成功的纽约投资人，在3个月里应该能获利18万x1.5%x3=8100块利息。

Here is the specific notice of sale of 243 Woodland Rd, Conventy, CT property : <http://cttaxsales.com/wp-content/uploads/2019/11/243-Woodland-Road-Coventry-CT.pdf>

Here is the auction notice:

<http://cttaxsales.com/wp-content/uploads/2020/01/January-14-2020-Coventry-auction-results.pdf>

### **Appendix A: towns covered by cttaxsales.com (maybe partially):**

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| ashford |
| berlin |
| bethlehem |
| bloomfield |
| broad brook |
| central village |
| chaplin |
| chester |
| columbia |
| coventry |
| deep river |
| east haddam |
| east hampton |
| east windsor |
| hartford |
| harwinton |
| higganum |
| killingly |
| lebanon |
| lyme |
| lyme |
| manchester |
| meriden |
| new fairfield |
| new milford |
| newington |
| norwich |
| plainfield |
| putman |
| rocky hill |
| roxbury |
| scotland |
| sherman |
| somers |
| south windsor |
| stratford |
| thompson |
| tolland |
| vernon |
| watertown |
| washington |
| willington |
| windham |