

Town of Cornwall Tax Collector Sale: FAQ

CANCELLATION OF SALE BY OWNER:

The owner can pay the total amount owed including interest, fees and expenses. Notices are mailed out by the Collector cancelling the sale. Other people with recorded interest in the property CAN pay the delinquency for the owner (usually they do this to keep their liens from being wiped out). Payoffs are public information, but a bidder CANNOT pay off the amount due prior to an auction.

SALE:

1. At the time and place of the sale, the Collector may:
 - a. Sell at public auction to the highest bidder all of said real property, to pay the taxes with the interest, fees and other charges allowed by law, including, but not limited to, those charges set forth in Section 12-410 (The fee of collectors for issuing an alias tax warrant shall be six dollars. All reasonable and necessary costs or expenses for necessary advertising, postage on notices, and reasonable sums paid town clerks or other persons for examining records to ascertain encumbrances upon property sold, for preparing notices at the direction of the tax collector, for drafting collector's deeds, for attorney's fees, for all fees and costs incurred by the municipality in defending any civil action brought as a result of a tax sale or an alias tax warrant or which seeks to enjoin or declare unlawful any tax sale or alias tax warrant, for the services of auctioneers, clerks and other persons retained to assist the collector in conducting the tax sale, for filings in the land records, fees paid to any federal, state or local government entity or agency and for any other fees and expenses incurred or otherwise provided by law shall be paid by the delinquent taxpayer or as provided in section 12-157.) OR
 - b. Sell all of said real property to his municipality if there has been no bidder or the amount bid is insufficient to pay the amount due.
2. Collector must post a Notice stating the amount of all taxes, interest, fees and other charges authorized by law with respect to each property to be sold.
3. Collector MAY publish or announce any rules for the orderly conduct of the auction and the making of payments by successful bidders which are not inconsistent with the requirements of law.
4. Collector MAY retain the services of an auctioneer, clerk and other persons to assist the Collector in the conduct of the sale and the cost

of such persons paid for their services shall be added to the taxes due from the delinquent taxpayer. If more than one property is sold, Collector shall apportion all shared costs equally among all the properties.

5. Any municipality holding a lien for unpaid taxes on real estate, other than the municipality conducting the sale, may purchase all of such property at a tax sale.
6. Determine the minimum bid amount to be accepted. (Usually the total delinquency including principal, interest, and fees due plus the cost of the auction and any jeopardy acceleration of subsequent installments).
7. Sell the property "as is". There is no guarantee that: the property is buildable, up to code, useable for any purpose, title-insurable or worth the money paid for it.

DEPOSIT FROM BIDDERS

On the day of the sale, any person wishing to bid must deposit the following amounts by check made payable to Cramer & Anderson, LLP – Trustee.

8 RIVER ROAD: \$5,500.00

282 KENT ROAD: \$14,000.00

Checks made payable to: Cramer & Anderson, LLP - Trustee

MINIMUM OPENING BIDS

On the day of the sale, the minimum opening bid for the properties are as follows:

8 RIVER ROAD: \$27,658.98

282 KENT ROAD: \$71,140.49

There is only ONE successful bidder. Cannot reject a minimum bid offer.

AFTER SALE PROCEDURE IS AS FOLLOWS:

1. Within 2 weeks after such sale, the Collector shall execute a deed thereof to the purchaser or to the municipality conducting the sale and shall lodge the same in the office of the town clerk of such town, where it shall remain unrecorded for 6 months from the date of such sale.
2. Within 60 days after such sale, the Collector shall cause to be published in a newspaper having daily general circulation in the town in which the real property is located, and shall send by certified mail, return receipt requested, to the delinquent taxpayer and each mortgagee, lienholder and other encumbrancer of record whose interest in such property is choate and is affected by such sale, a Notice (#3) stating:
 - a. the date of the sale;
 - b. the name and address of the purchaser,
 - c. the amount the purchaser paid for the property, and
 - d. the date the redemption period will expire.
 - e. The statement: "If redemption does not take place by the date stated and in the manner provided by law, the delinquent taxpayer, and all mortgagees, lienholders and other encumbrancers who have received actual or constructive Notice of such sale as provided by law, that their respective titled, mortgages, liens, restraints on alienation and other encumbrances in which property shall be extinguished."
3. The purchaser MAY buy insurance to protect the property from fire or loss.
4. If within 6 months of the sale, the delinquent taxpayer, mortgagee, lienholder or other encumbrancer pays to the Collector the amount of the taxes, interest and charges which were due and owing at the time of the sale together with interest on the total purchase price paid by the purchaser, at a rate of 18% per annum from the date of the sale plus and taxes and debts owed to the municipality that were not received by the sale and any additional charges under Section 12-140, such deed shall be delivered to the Collector by the town clerk for cancellation and the Collector shall provide a certificate of satisfaction to the person paying the money.
5. If not, the new owner owns the property "Free and Clear". However it is up to the new owner to evict any "holdovers" like former owners or

tenants, by legal methods. Some liens may survive an auction and would be listed in a notice by the Collector.

6. If the purchase money and interest are not paid within such redemption period, the deed shall be recorded and have full effect.
7. The Collector shall have sufficient insurable interest in the building and improvement upon the property during the redemption period.
8. The Collector shall not be liable to any person for any condition existing or occurrence upon such property or adjoining public sidewalks and streets or the failure to act to remedy or investigate any such condition or occurrence during the redemption period.
9. **If the sale realizes more** than the amount needed to pay all delinquent taxes, interest, penalties, fees and costs:
 - a) the excess amount shall be held in an interest-bearing escrow account separate from all other municipality accounts. Any interest earned from said escrow account shall be the property of the municipality.
 - b) If the sale is redeemed prior to the expiration of the redemption period, within 10 days of receiving notice, Collector shall turn the money held in escrow to the purchaser. The bidder would then get back their deposit, bid price paid plus interest. Collector has to send a Notice that the sale has been undone.
 - c) If the sale is not redeemed, then the Collector may use the money to pay the delinquent taxes, interest, penalties, fees and costs on this property or any other property of the taxpayer, including personal property and motor vehicles.
 - d) The Collector shall, within 10 days of the expiration of the redemption period, pay any money remaining to the clerk of the court for the judicial district in which the property is located.
 - e) The Collector shall notify the taxpayer, mortgagee, lienholders, or other encumbrancer of record by Certified mail, return receipt requested, within 5 days of the payment of the name and address of the court to which the money was paid, the person's right to file an application with the court for return of said money and the amount of money that was paid to the court.
 - f) Said application:
 1. Must be submitted to the court within 90 days.
 2. May be submitted by any person for payment of the moneys deposited with the court for a determination of the equity of the parties having an interest in said moneys.

3. Must be served in the same manner as to commence a civil action on all persons having an interest of record in such property on the date the Collector's deed is recorded (the purchaser and the municipality MAY NOT be a party to such action unless they consent to same).
4. The Court or Judge upon such Motion or by it own Motion, may appoint a state referee to hear the facts and to make a determination of the equity of the party(s) in such moneys.
5. The Referee, after providing at least 10 days' notice to the parties interested: the time and place of the hearing, hear the applicants, take testimonies as he deems material and determine the equity of the parties interested and then immediately report to the Court or Judge. If the report is not sufficient, the court may appoint another referee to repeat the process. If the report is sufficient, and no appeal is filed, the court clerk shall send a certified copy of the statement of compensation and of the judgment to the prevailing party or parties and shall pay such parties the amount due them as compensation.
 - a. If NO Application is filed, any moneys held by the Court shall escheat to the state.

Notice has already been given to the newspaper to be run on 3 separate occasions. Notice already stated "AS IS". NO more advertising is required by statute.

Bidders should determine the past use of both properties and consider its possible effect on the future use of each property.

A Phase 1 Environmental Report of both properties is available for review at the Office of the Cornwall First Selectman.

Both properties have been subject to an Environmental Review by CT Department of Energy & Environmental Protection (DEEP).