
WHEN DO REAL ESTATE TAXES BECOME DELINQUENT?

Real estate taxes become delinquent April 1st each year. Example: 2006 taxes become delinquent April 1, 2007. At that time, 3% interest is added to the gross amount.

ARE DELINQUENT TAXES ADVERTISED?

Yes. A list of all real property with delinquent taxes is advertised once a week for three consecutive weeks in a local newspaper. The advertisement specifies the place, date, and time of the Tax Certificate Sale.

WHAT IS A “TAX CERTIFICATE?”

A tax certificate represents a lien on real property and bears interest at a maximum rate of 18% per year. The cost to purchase a certificate is listed beside each parcel in the delinquent advertisement, and includes gross tax, interest, advertising cost, and the cost of the Tax Certificate Sale.

WHAT IS A TAX CERTIFICATE SALE?

On the advertised day and time, the Tax Collector auctions and sells a tax certificate on each delinquent parcel. Since the taxes on some parcels will have been paid prior to the sale, those parcels that appeared in the newspaper advertisement will be skipped. Bidding begins at 18% and the certificate is sold to the person bidding the LOWEST annual interest rate.

WHAT IF THERE ARE NO BIDDERS?

If there are no bidders for a certificate, it is issued to the County at 18% interest.

HOW ARE TAX CERTIFICATES “REDEEMED?”

In order to clear the tax property of the tax certificate lien, the property owner must pay the amount of the tax certificate plus the rate of interest at which the certificate was sold, calculated from the month of the sale to the month of the redemption with a 5% minimum unless the bid was 0%. If the bid was 0%, there will be NO interest accrued. When a tax certificate is redeemed, on or after June 1, a \$6.25 redemption fee is also charged. After redemption, the certificate holder receives the amount invested plus interest. Please note that interest earned is taxable and must be reported to the IRS. Each January, an IRS 1099-INT form is sent to each certificate holder for earnings in the previous year.

WHAT IF THE CERTIFICATE IS NOT REDEEMED?

If the certificate is not redeemed within two years from the date the tax became delinquent, the certificate holder may apply for a tax deed, and bring the land to sale at a public auction. Example: 2006 taxes became delinquent April 1, 2007; therefore, a tax deed application may be made after April 1, 2009. A certificate holder who wishes to apply for a tax deed must redeem all the other certificates and pay other fees as mandated by state law.

WHAT HAPPENS AT THE LAND SALE?

If the land goes to a public sale, the starting bid is the total amount of the tax deed application. When the property is assessed on the latest tax roll as homestead property, the starting bid also includes one-half of the assessed value of the property as listed on the current year’s tax roll. The highest bidder will receive a tax deed from the Clerk of the Circuit Court. This is not the same as a Warranty Deed as more steps may be

necessary to obtain a clear title. If there is no action commenced by the former owner within 4 years of the tax deed being issued, then the owner will have clear title to the property. If the applicant is not the highest bidder, he/she will be reimbursed for the total amount paid at the time of the application plus 1 1/2% interest per month from application. Any difference between the highest bid and the amount paid in the application is sent to the property owner by the Clerk of the Circuit Courts office.

The 1999 Legislature amended the process for obtaining tax deeds for real property by holders of tax sale certificates, section 197.502, Florida Statutes, effective May 26, 1999. See Chapter 99-190, Laws of Florida (see Senate Bill 1534, sections 3-5). As described below, portions of this law apply only to property that is on the list of lands available for taxes upon which there are no outstanding tax sale certificates that were issued prior to July 1, 1999 (see Senate Bill 1534, section 8).

This new law changes the start date for determining the 90-day period during which the county may purchase land from the list of lands available for taxes. Under prior law, this 90-day period began the day after the public sale. Under the new law, this 90-day period begins when the land is placed on the list of lands available for taxes.

This new law changes the period of time before land will escheat to the county, from seven years from the day the land is offered for public sale to three years from the day the land is offered for public sale. See section 197.502 (8), Florida Statutes (1999).

CAN A PROPERTY OWNER STOP A LAND SALE?

Yes. The owner of the property can prevent the loss of the land by paying all accrued taxes, costs, and interest at any time before the tax deed is issued.

WHAT IS THE LIFE OF A TAX CERTIFICATE?

The life of a tax certificate is seven years from the date of issuance. If the certificate holder does not apply for a tax deed within the seven years, the certificate is null and void.

IS THIS A RISK FREE INVESTMENT?

No, although a secure investment in most cases, as with any investment, there is an element of risk. There are three possible risks to consider.

1. If there is a correction to the original taxes levied which would decrease the certificate value or cancel the certificate, the law provides for the portion in error to be refunded to the certificate holder with 8% interest or rate of interest bid, whichever is less, per annum calculated monthly to the date of cancellation or correction.
2. If the property value drops significantly in subsequent tax years, it may cost more to bring the property to sale than the value gained by owning the property.
3. If the landowner enters into bankruptcy, the certificate holder is prevented from enforcing the lien until the bankruptcy is released. In one instance, the bankruptcy court lowered the interest rate and ordered payments to be made over a five year period.

ARE THE COUNTY'S CERTIFICATES AVAILABLE FOR PURCHASE?

Yes, County held certificates are available for purchase in the Tax Collector's office. When someone buys a county certificate, the lien is transferred to the buyer. The purchase price is the amount of the original certificate plus interest due to the date of purchase, plus \$6.25 administrative fee. The interest rate of the purchased certificate is 18%. Anyone interested in purchasing county certificates should call the Delinquent Tax Department.

HOW DO I BECOME A BIDDER?

Beginning May 1st bidders may register online. A link will be provided from our website at <http://www.cctaxcol.com>. A registration form must be completed online for each bidder, with name, address, phone number, and tax-payer identification or social security number.

For further information regarding the Tax Certificate Sale, please contact the Tax Collectors Office at (941) 743-1350 or visit us on the web at: <http://www.cctaxcol.com>

PROPERTY TAXES TAX CERTIFICATE SALE

GENERAL INFORMATION



VICKIE L. POTTS
Charlotte County
Tax Collector

OFFICE LOCATIONS/HOURS

Englewood 6868 San Casa Drive Englewood, FL 34224	Punta Gorda 410 Taylor Rd. Punta Gorda, FL 33950
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Mon-Fri 8:30am-5:00pm Mon-Fri 8:30am-5:00pm

Murdock/Pt. Charlotte
18500 Murdock Circle
Port Charlotte, FL
33948

Mon-Fri 8:30am-5:00pm

Website: <http://www.cctaxcol.com>

For questions call (941) 743-1350