

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER
OFFICE OF TAX AND REVENUE (OTR)



OTR TAX NOTICE 2008-03

**Real Property Owner's Guide to the
Tax Sale Redemption Process**

If your property has been sold at tax sale because you owed delinquent real property taxes, water and sewer charges, or other taxes, assessments or fees owed to a District of Columbia agency, you can pay the delinquencies and redeem your property by following the instructions in this brochure.

Redeeming your property means stopping the government from transferring your real property to someone else.

Although it is to your benefit to redeem your property as quickly as possible, you may do so at any time – from right after the tax sale until a Superior Court judge enters a final order to foreclose or end your right of redemption.

What Must I Pay to Redeem My Property from Tax Sale?

No matter when you redeem your property, you must pay:

1. All delinquent real property taxes from all years, including penalties, interest and any fees owed to the Office of Tax and Revenue (OTR).
2. Current real property taxes, including penalties, interest and any fees due to OTR.
3. All other taxes, assessments, fees and costs on the OTR Web site, www.taxpayerservicecenter.com. These include taxes, assessments, fees, and costs which you owe to District of Columbia agencies other than OTR. *Please note: the OTR Web site may not show these agencies' most current charges, and may not show all interest due.* See numbered paragraph "2" on the next page of this Notice for how to obtain that information.
4. All delinquent water and sewer bills you owe to the DC Water and Sewer Authority (WASA). *Please note: The OTR Web site may not show WASA's total outstanding charges.* See numbered paragraph "2" on the next page of this Notice for how to obtain that information.
5. Expenses, including reasonable legal costs. Expenses vary depending on when you redeem your property. Remember that legal fees must be reasonable, and are subject to judicial review upon request.
 - a. If you redeem your property after the tax sale but before the tax sale purchaser

has begun a title search (starting four months after the tax sale), you must pay \$26.50 in expenses.

b. If you redeem your property after the tax sale purchaser began a title search but before the purchaser files a foreclosure action in the Superior Court, you must pay \$326.50 for the buyer's expenses. (You cannot legally be required to pay more than \$326.50 for expenses before a complaint is filed in the Superior Court.)

c. If you redeem your property after the tax sale purchaser files a foreclosure action in the Superior Court (as early as six months after the July tax sale), you must pay the \$326.50 in expenses *plus* attorney's fees and additional costs.

Where Do I Find Out What Outstanding Taxes, Assessments, Fees and Costs Are Due Against My Property, and How Do I Get a Bill to Pay Them?

The OTR Web site lists the delinquent real property tax, and all other outstanding taxes, assessments, fees and costs owed on the real property. The Web site is www.taxpayerservicecenter.com. If you do not have computer access, go to OTR's Customer Service Walk-in Center, 941 North Capitol Street, NE, First Floor, Washington, DC to ask for a list.

1. You may get a real property tax bill from OTR's Customer Service Walk-in Center. You may also call OTR Customer Service at (202) 727-4TAX (4829) and ask to be mailed a bill for real property taxes. The bill will include \$26.50 or \$326.50 in expenses (depending on when you redeem your property). Additional expenses that may be owed to the tax sale purchaser that include the attorney's fees and additional costs are collected by the tax sale purchaser's attorney.

You must ask for *the most current* real property tax bill to get the proper tax balance for redemption purposes. Be sure to tell the Customer Service representative that you want to redeem your property from tax sale, and need the most current bill.

2. Besides real property taxes, the OTR Web site will also show other taxes, assessments, fees and costs that you owe to DC agencies or WASA. YOU MUST CONTACT EACH AGENCY to get the most current taxes, assessments, fees and costs that you owe on your property.

Here's how to reach each agency:

a. Call the Department of Public Works (DPW) at (202) 645-7190 to ask for a bill for all charges, including Clean City fees.

b. Call the Department of Consumer and Regulatory Affairs (DCRA) both at 442-4475 and 442-8687 to ask for a bill for any charges, including special assessments, civil infractions and re-inspection fees.

c. Call WASA's Customer Service Collections Division at (202) 354-3750 to ask for a bill for any outstanding water and sewer charges.

Be sure to tell each agency that you need the most current bill so you can redeem your property from tax sale.

How Do I Pay the Real Property Tax Bill?

You must pay the real property tax by certified check, cashier's check or money order. Before you pay, make a copy of the certified check, cashier's check or money order to keep for your records.

You may pay at any DC branch of Wachovia Bank. Keep the receipt you get as proof that you paid.

How Do I Pay the Other Taxes, Assessments, Fees and Costs Due Against My Real Property that Appear on the Web site?

You must also pay the other taxes, assessments, fees and costs that appear on the Web site by certified check, cashier's check or money order. Before you pay, make a copy of the certified check, cashier's check or money order to keep for your records.

The bill from WASA or the agency that levied the tax, assessments, fees and costs gives specific payment instructions. You will receive a receipt or a lien release after you make your payment. Keep all receipts or lien releases you get as proof that you paid.

If a water lien has been sold by WASA and you dispute the amount of the lien, you must deal directly with WASA and the lienholder.

1. Pay your DPW bill at 3220 Pennsylvania Avenue, SE You will get a receipt from DPW after you pay.

2. If DCRA charged you a civil infraction or re-inspection fee, you must mail your payment with bill to DCRA, PO Box 96113, Washington, DC 20090. You will get a receipt or lien release from DCRA after you pay.

3. If DCRA charged you a special assessment, you may pay at any DC branch of Wachovia Bank or mail your payment with bill to DCRA, PO Box 98095, Washington, DC 20090. You will get a receipt or lien release from DCRA after you pay.

4. You must pay your WASA bill at any DC branch of Wachovia Bank. You will get a receipt or lien release from WASA after you pay.

What Happens After a Buyer Files a Foreclosure Complaint in Superior Court?

The tax sale buyer may start a foreclosure action 6 months from the date of the Tax Sale. This may happen as early as January following the tax sale, if the tax sale occurred during the preceding July.

After the buyer files a foreclosure action, you should be served with a Complaint, a Summons and an Initial Order.

If you redeem your property after the buyer files the Complaint, you must pay the delinquent real property taxes *and the \$326.50 in pre-complaint expenses* to OTR. You must also pay to DC agencies any other taxes, assessments, costs and fees owed to such agencies; for example,

delinquent water and sewer charges must be paid to WASA.

Moreover, you must pay the tax sale buyer's reasonable legal expenses and additional costs, including foreclosure action filing costs.

How Do I Get a Bill for the Expenses Incurred by the Tax Sale Buyer in a Foreclosure Action?

If you get a Complaint, Summons and Initial Order, you may contact the tax sale buyer's attorney, or the buyer himself if he has no attorney. The appropriate name and contact information will be on the Complaint and Summons.

Expenses of the Tax Sale Buyer

If you have not gotten a Complaint, Summons and Initial Order, and you do not know if you have to pay expenses to the tax sale buyer, tell OTR that you are trying to redeem the property from tax sale, and that you need a pay-off statement for a tax sale buyer's expenses incurred for each tax sale. OTR will request a pay-off statement from the tax sale buyer(s), and forward any statements it gets to you.

If you have any questions about the expenses pay-off statement, you must direct your question to the tax sale buyer or his/her attorney, at the telephone number on the statement.

If you have a dispute about the reasonableness of the expenses, including the attorney's fees, you may ask the DC Superior Court for resolution. The Superior Court has a mediator available on Wednesdays to assist with discussions on what is a reasonable amount of expenses, including the attorney's fees, for a particular case.

How Do I Resolve the Superior Court Action?

After you have taken all steps to redeem your property, you must check that all issues about the foreclosure action have been resolved and the foreclosure action has been dismissed.

- You may consult an attorney.
- If you are unable to pay an attorney, ask for help from the Tax Sale Resource Center, DC Superior Court, 500 Indiana Avenue, NW, Witness Room for Hearing Room 205, open every Wednesday from 10 am to 12 noon. The Tax Sale Resource Center is sponsored by the DC Bar Pro Bono Program, and offers some services to anyone who does not have an attorney for a tax sale matter.
- To get additional services, including possible representation, you must meet eligibility criteria. To find out if you can get help, ask at the Tax Sale Resource Center.

How Do I get an Official Record that My Property Was Redeemed from Tax Sale?

A Certificate of Redemption gives official notice that the property has been redeemed. Although it is not required, it is advisable to get one.

To get a Certificate of Redemption, ask OTR for it in writing and include a \$100 processing fee

by certified or cashier's check or money order payable to the DC Treasurer. Attach copies of the receipts and lien releases you got from OTR, WASA, or any other agency when you redeemed your property, and proof that you paid all expenses owed to each tax sale buyer.

If you do not have all of these documents, the Certificate of Redemption cannot be processed until:

1. The real property tax payment for all outstanding and current taxes has posted to the real property tax account;
2. WASA and all other DC agencies that have taxes, assessments, fees and costs appearing on OTR's Web site, www.taxpayerservicecenter.com, have provided to OTR releases stating that such taxes, assessments, fees and costs have been paid; and
3. All tax sale buyers have given OTR releases for their expenses for which they are entitled to be reimbursed.

After OTR reviews these documents, it will issue a Certificate of Redemption. You may record the Certificate of Redemption with the Recorder of Deeds for the usual recording fee to give public notice that the property has been redeemed from tax sale.