



Government of the District of Columbia
Office of the Chief Financial Officer
Office of Tax and Revenue

DISTRICT OF COLUMBIA 2023 DISCOUNT TAX SALE

FREQUENTLY ASKED QUESTIONS

DISTRICT OF COLUMBIA
2023 DISCOUNT REAL PROPERTY TAX SALE
FREQUENTLY ASKED QUESTIONS

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1. When and where is the District of Columbia Discount Tax Sale going to be held?

- a. WHEN:
December 5, 2023
- b. WHERE:
Office of Tax and Revenue
1101 4th Street, SW
2nd Floor, Room W244 and W250
Washington, DC 20024
- c. TIME:
8:30 a.m. to 12:00 noon and 1:00 p.m. to 4:30 p.m., or until all properties are sold.

2. When and where can you register for the District of Columbia Discount Tax Sale?

- a. WHEN:
Begins November 17, 2023, through - December 5, 2023, or until all properties advertised for that day are sold.
- b. WHERE:
 - 1. Go to www.mytax.dc.gov;
 - 2. Under “Real Property”;
 - 3. Click “View More Options”;
 - 4. Under “Tax Sale Registration”;
 - 5. Click “Register a Tax Sale Purchaser Account”;
 - 6. Select “Register as a purchaser for the 2023 Discount Sale”; and,
 - 7. Follow the step-by-step registration screens to complete the process.

IMPORTANT:

- Prospective buyers/bidders must register to participate in the Discount Tax Sale via www.mytax.dc.gov.
- All persons interested in participating in the Discount Tax Sale are encouraged to attend the Discount Tax Sale Seminar.
- A person with a communication impairment requiring an interpreter must submit a request via www.mytax.dc.gov no later than November 28, 2023, if you are appearing at the Discount Tax Sale on December 5, 2023.

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3. Where can a potential purchaser or bidder obtain a list of properties to be auctioned at the Discount Tax Sale?

OTR's website:

1. Go to www.otr.cfo.dc.gov;
2. Under "Real Property";
3. Click "Real Property Tax Sale";
3. Under "2023 Discount Tax Sale Listing";
4. Click "2023 Discount Tax Sale Listing".

4. What are some suggested websites that a potential purchaser can view to research outstanding liabilities of any property being auctioned and to view the properties individually?

- a. Tax Liens – Recorder of Deeds website – This website provides valuable information about mortgages, liens and encumbrances affecting the title to property. To use this website:
 1. Go to www.otr.cfo.dc.gov;
 2. Then "Recorder of Deeds";
 3. Then "Recorder of Deeds - Document Images";
 4. Then "Online Public Records"; and,
 5. Then click on "Create New User Account" and complete information to access the Recorder of Deeds website.
- b. Real Property Tax Assessment website - This website includes valuable information about each property including the neighborhood, sub-neighborhood, class, assessed value, gross building area, land area, real property taxes and payment history. To use this website:
 1. Go to www.mytax.dc.gov;
 2. Click "Real Property";
 3. Then "Search Real Property by Address or SSL"; and,
 - a. For SSL, type in 4 digits for Square (e.g.: 0111), 1 or 2 letters for Suffix (e.g., W), and 4 digits for Lot (e.g. 0001).
- c. Department of Buildings (DOB), this website provides valuable information about lot history, classification, and permits. To use this website, visit www.dob.dc.gov; or contact DOB at (202) 671-3500.
- d. D.C. Water and Sewer website (D.C. Water) – this website provides valuable information about water bills. To use this website, visit <https://www.dewater.com>; or contact D.C. Water at (202) 787-2000.
- e. Department of Public Works website (DPW) – this website provides valuable information about roads, sidewalks, streetlights, and easements that may affect a property. To use this website, visit www.dpw.dc.gov; or contact DPW at (202) 673-6833.

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5. Can a property be inspected prior to the Discount Tax Sale?

It is recommended, but not required, that anyone interested in purchasing a Property at the Discount Tax Sale locate and identify any property they are considering bidding on prior to the Discount Tax Sale. The advertisement or sale of a property at the Discount Tax Sale does not grant a right of entry to a potential bidder or the tax sale purchaser. The entry onto a property for any purpose, whatsoever, by a potential bidder or the tax sale purchaser shall be subject to the laws on trespass.

6. Can a delinquent taxpayer participate in the Discount Tax Sale?

a. DC Official Code § 47-1346(a) (5) states that:

"A potential purchaser, including a natural person or business entity, who is delinquent in payment of *in rem* taxes to the District or who has been convicted of a felony involving fraud, deceit, moral turpitude, or anticompetitive behavior, may not bid on real property offered at a sale held under this chapter or otherwise acquire an interest in real property sold under this chapter."

Also, the same provision mandates that bidders cannot be related to business organizations that are delinquent in the payment of *in rem* taxes.

b. If it is determined that a bidder is delinquent in *in rem* taxes after the purchase of a property, the sale will be *voided, and monies paid may be forfeited*.

7. Must I register for DC taxes?

a. This is for Tax Sale Purchaser or Assignee registrations only. If you are a business within the District and have not already registered by submitting a form FR-500, please do so before completing the Tax Sale Purchaser Registration Form FR-500 must be filed online by visiting the Office of Tax and Revenue's website.

1. Go to www.mytax.dc.gov;
2. Under "Business";
3. Click on "Register a New Business-Form FR-500"; and,
4. Follow the instructions and submit the form.

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8. What information is required to register to bid at the Discount Tax Sale?

Each prospective purchaser/bidder will be *required* to provide personal information, including the following:

- a. Your Federal Employer Identification Number (FEIN), Social Security Number (SSN), or Individual Taxpayer Identification Number (ITIN)
- b. Your legal name (as shown on your income tax return, or U.S. federal tax filings)
- c. Your phone number and email address
- d. Your permanent US address
- e. The name and contact information of your attorney (if applicable)
- f. A completed IRS form W-9

9. What is the minimum deposit required to bid?

- a. The required minimum deposit of 20% of the total purchase price must be paid prior to bidding. This deposit should be paid immediately after receiving the registration confirmation notice with payment voucher.
- b. The potential purchaser/bidder can pay the deposit at the following location:
 - i. Location:
Cashier's Office of the DC Treasurer,
1101 4th Street, SW
1st Floor, Suite W1665
Washington, DC 20024
 - ii. Time:
8:15 a.m. to 4:15 p.m.
Monday through Friday or, until all properties advertised for that day are sold.
- c. Payment Method:
Payments can be made by cash, certified check, money order, cashier check or by bank check or electronic wire. Personal or business checks will not be accepted.
 - **Payment must be made payable to the DC Treasurer.**
 - For Electronic wiring instructions, please contact Pretena.Brydson-Ingram@dc.gov or Patricia.watson@dc.gov.

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10. What happens if the Discount Tax Sale bidder wins a property, and the bidder has a deposit of less than 20% of the winning bid?

- a. The sale is not complete if the bidder's deposit (or remaining amount on deposit) is less than 20% of the successful bid.
- b. Bidders may increase deposits at any time during the Discount Tax Sale by making payments at the Cashier's Office of the DC Treasurer on the 1st Floor of 1101 4th Street, SW, Washington, DC 20024.
- c. The Office of Tax and Revenue will not delay bidding to allow a bidder to increase a deposit.
- d. In cases where the Tax Sale bidder bids on multiple properties, the deposit on record will be applied to the winning bid amounts in the order that the bids were placed. If a Tax Sale buyer bids on a property for which he or she has an insufficient deposit, the property will be re-auctioned.

For example: Purchaser C places the winning bid on three properties and has a deposit of \$2,000. Therefore, Purchaser C's total bid amount may not exceed \$10,000. The winning bid for Property 1 was \$5,000; the winning bid for Property 2 was \$8,000 and the winning bid for Property 3 was \$4,500.

There is a sufficient amount on deposit to cover the first bid on Property 1, and that bid will become final (subject to payment of the remaining balance), however, there is not enough money on deposit to cover the first and second bids once they are combined. Since the total amount of the bids (\$5,000 + \$8,000 = \$13,000 exceeds the \$10,000 bid limit based on the \$2,000 deposit, the second and third bids will be cancelled, and Property 2 and Property 3 will be re-offered for sale.

- e. The potential purchaser or bidder must submit a copy of the paid receipt at the Tax Sale Registration Desk after making payment at the Cashier's Office.

11. What will a bidder receive after paying the deposit?

- a. A registration number will be assigned to each Discount Tax Sale bidder at the Office of Tax and Revenue, 1101 4th Street, SW, Room W244, Washington, DC 20024.
- b. A copy of the Tax Sale Registration Notice must be presented to receive a "number card". Each potential purchaser will receive a "number card" that will be used during the bidding process. The potential purchaser must turn in the number card to the Tax Sale Registration Desk at the end of each session.

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12. What is the bidding process at the Discount Tax Sale?

- a. The opening bid for each property will be \$300, regardless of the amount of delinquent taxes owed on the property. Each property will be sold to the highest bidder. The bids will be raised by increments of \$100 and then \$500, until the property is sold to the highest bidder. All bids are final, subject to payment of the remaining balance.
- b. It is very important to be aware of the property being auctioned and to follow along with the auctioneer.

13. When is a bid entered?

- a. A bid is entered when a potential purchaser/bidder raises the “number card” high enough so the auctioneer can see it.
- b. The auctioneer will state the number of the successful bidder before the auction proceeds to next listed property. Failure to confirm the winning bid may result in a bidder becoming the successful buyer of a property, even if it was not the bidder’s intention to enter the final bid. The auction will be recorded to ensure the accuracy of the bidding process.

14. Will the District delay the bidding process to allow a bidder to increase a deposit?

No. Bidding *will not* be delayed to allow a bidder to increase a deposit.

15. When is the payment due for the property lien purchased at the Discount Tax Sale?

Payment in full of the remaining balance, also referred to as the final payment, is due from a successful Discount Tax Sale buyer by December 12, 2023.

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16. Where can the Discount Tax Sale purchaser make a final payment?

- a. In Person
 - i. Location:
Cashier's Office of the DC Treasurer
1101 4th Street, SW
1st Floor, Suite W1665
Washington, DC 20024
 - ii. Time:
8:15 a.m. to 4:30 p.m.
Monday through Friday (except legal holidays)
- b. By Mail
 - i. Address:
Office of Tax and Revenue
Real Property Tax Administration
Assessment Services Division/Tax Sale Unit
1101 4th Street SW
5th Floor, Suite W550
Washington, DC 20024
 - ii. All payments sent by mail must be received by December 12, 2023.
- c. Payment Method:
 - i. Cash, certified check, money order, cashier check or by bank check *or electronic wire*. (Personal and business checks will not be accepted.) *For electronic wire instructions, please contact Pretena.Brydson-Ingram@dc.gov or Patricia.watson@dc.gov. Please note, payments made by wire may take five (5) or more business days to post.*
 - ii. Payment must be made payable to the "DC Treasurer"
 - iii. It is highly recommended that the final payment be remitted in person to avoid any possible mail delivery problems.

17. Can a buyer request an invoice for their final payment at the Discount Tax Sale?

Yes. An invoice identifying the property lien(s) purchased and the balance of the sale price owed will be available via the purchaser's portfolio account on www.mytax.dc.gov.

18. Will the buyer receive an invoice/bill from the District for the final payment due?

An invoice identifying the property lien(s) purchased and the balance of the sale price owed will be available via the purchaser's portfolio account on www.mytax.dc.gov.

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19. Does the buyer have to submit the payment in full if they did not receive an invoice/bill from the District for the payment?

Yes. The successful Discount Tax Sale buyer must pay the balance due on the sale by December 12, 2023, even if he or she did not receive an invoice from the District in the mail.

20. Where can a buyer obtain a duplicate invoice for the payment due?

- a. Go to www.mytax.dc.gov and log into the portal.
- b. Select “More”;
- c. Under “Messages and Letters”;
- d. Select “View Letters”; and,
- e. Click “Buyer Due Letter”.

21. What will the District issue to the Discount Tax Sale purchaser once the payment of the purchase price has been processed?

Approximately 4-6 weeks after the Discount Tax Sale, the Office of Tax and Revenue, Real Property Tax Administration will issue a Certificate of Sale for each property lien sold at the Discount Tax Sale and for which the purchase price has been paid and reconciled.

22. Does the buyer own the property purchased at the Discount Tax Sale, once a Certificate of Sale has been issued for the property?

- a. No. The Certificate of Sale does not grant to the Discount Tax Sale purchaser an ownership interest of the property, or any right to enter the property. The Certificate of Sale entitles the Discount Tax Sale Purchaser to foreclose the right of redemption if the taxes remain unpaid.
- b. *Note that the property owner has the right to redeem the property at any time prior to the issuance of a final order in the foreclosure case.*

23. What is the process for issuing a refund to the non-winning bidders or excess deposit for winning bidders?

Approximately 4 to 6 weeks after the conclusion of the Discount Tax Sale, the Office of Tax and Revenue will refund to non-winning bidders the deposit paid and any excess deposit paid by winning bidders that exceeds his or her winning bid(s).

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24. What is the process for issuing a refund once a Certificate of Sale has been issued?

- a. The Discount Tax Sale purchaser must surrender the original Certificate of Sale to the Office of Tax and Revenue to initiate the refund process.
- b. Processing of Discount Tax Sale refunds takes approximately 4 to 6 weeks, if all supporting documentation required by OTR to process a Tax Sale refund is timely and completely provided by the Discount Tax Sale purchaser (see FAQ #31).
- c. Interest will only be paid up to the date that payment of the delinquent taxes is made by the redeeming party.

25. What is the rate of interest that a buyer will receive on property redeemed by the owner?

- a. Interest is paid at a rate of 1.5% per month (18% per year) on the sale amount exclusive of surplus.
- b. The Discount Tax Sale buyer will receive a refund of the amount of taxes paid with interest thereon. Interest will accrue beginning from the first day of the month following the date of the Discount Tax Sale until the date the taxes are paid by the redeeming party.
- c. Interest is not paid on the surplus amount, which is defined as the difference between the total delinquencies owed and the winning bid amount.

26. Why does the District cancel a sale and what happens when a sale is cancelled?

- a. A Discount Tax Sale may be canceled to prevent an injustice to the owner or person with an interest in the real property.
- b. If the sale is canceled by the District, the amount of interest to be refunded will be at the rate of *1.5% per month* exclusive of surplus, beginning with the first day of the month following the date of the Discount Tax Sale until the date of the cancellation of the tax sale.
- c. The Office of Tax and Revenue may terminate a tax sale if, *inter alia*, the property was sold with incorrect ownership, or the owner is in bankruptcy under protection of a stay. If a tax sale buyer discovers incorrect ownership or a bankruptcy filing when he or she obtains the title report, the tax sale buyer should not file a lawsuit. The tax sale buyer should contact the Office of Tax and Revenue to begin the termination process.
- d. The Office of Tax and Revenue generally will not reimburse the tax sale buyer for any expenses in excess of the \$300.00 title search expense, \$31.50 certificate of sale recording expense and \$50 posting expense if the property was sold with incorrect ownership or the owner is in bankruptcy under protection of a stay.

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27. What must be paid by the property owner prior to the Discount Tax Sale?

The property owner must pay all delinquent real property taxes through Tax Year 2023, along with any BID taxes and vault rents, as well as certified external agency liabilities through Tax Year 2023.

28. Where can the property owner make a payment?

- a. Payments can be made online at www.mytax.dc.gov;
- b. Under “Real Property”;
- c. Click “Make a Real Property Payment”;
- d. Enter your address or search by Suffix, Square, and Lot, numbers; and,
- e. Follow the steps to submit your payment. (Once submitted, you will receive an email with your payment confirmation code.)

29. What must the property owner pay after the Discount Tax Sale but before the foreclosure action?

- a. Pay all real property taxes (including amounts certified pursuant to D.C. Code § 47-1340), BID taxes, and vault rents to bring the real property current;
- b. Amount of \$50 for posting the post-tax sale notice required by §47-1353.01;
- c. Costs for recording the certificate of sale, \$31.50;
- d. Cost of a title search, not to exceed \$300; and,
- e. All delinquent special assessments owed pursuant to an energy efficient loan agreement under subchapter IX of Chapter 8 of Title 47.

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30. What must the property owner pay after a foreclosure action has been filed?

- a. All real property taxes (including amounts certified pursuant to D.C. Code § 47-1340), BID taxes, and vault rents to bring the real property current;
- b. Amount of \$50 for posting the post-tax sale notice required by §47-1353.01;
- c. Costs for recording the certificate of sale, \$31.50;
- d. Cost of a title search, not to exceed \$300;
- e. All Post-Complaint Legal Expenses to which the tax sale purchaser is entitled to reimbursement under D.C. Code § 47-1377(a)(1)(B) where an action to foreclose the right of redemption has been filed. Reasonable attorneys' fees shall be awarded as follows:
 - i. In a case in which the property is redeemed before the fifth status hearing, reasonable attorneys' fees not to exceed \$1,500;
 - ii. In a case requiring 5 or more status hearings, reasonable attorneys' fees not to exceed \$1,500 plus \$75 for the fifth status hearing and each additional status hearing thereafter; and,
 - iii. In a case in which a motion for judgment is filed with the court, additional attorneys' fees in the amount of \$300.
 - iv. In complex cases with prolonged representation not typical for tax sale foreclosure actions, other reasonable attorneys' fees incurred, as requested by the purchaser and approved by the court on a case-by-case basis.

Expenses actually incurred as follows:

Filing fees charged by the DC Superior Court;

- i. Service of process fee, including fees incurred attempting to serve process;
- ii. If a second title search is conducted more than 6 months after the initial title search, a title search update fee, not to exceed \$75;
- iii. Publication fee charged by a newspaper of general circulation in the District;
- iv. Posting fees;
- v. Postage and certified mail costs;
- vi. Substantial repair order fee, not to exceed the fee charged the government agency issuing the certificate of substantial repair; and,
- vii. Any court approved expense for stabilization or conversion of, or to make safe and compliant with Chapter 31A of Title 42, the property under § 47-1363 or to comply with an action taken against the property by the Mayor in accordance with applicable building, fire, health or safety code.

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- f. Pay all delinquent special assessments owed pursuant to an energy efficiency loan agreement under Subchapter IX of Chapter 8 of Title 47.
- g. If the purchaser fails to satisfy the requirements for posting under § 47- 1353.01 or fails to provide proof of posting required under § 47- 1370(c)(4), the purchaser may not be entitled to collect the legal expenses set forth hereunder unless good cause for failure to meet the posting requirements is shown to the Superior Court.

Note: If the property owner does not pay all of the costs described above *before* the court order becomes final, the Superior Court of the District of Columbia will enter an order foreclosing the right of redemption of the property owner. After payment of all outstanding amounts by the Tax Sale purchaser, the District will issue a deed of title for the property to the Tax Sale Purchaser.

31. What documentation must a Discount Tax Sale purchaser provide to OTR in order to receive a refund for a tax sale related refund?

- a. The purchaser should monitor property payment updates from their portfolio via www.mytax.dc.gov.
- b. When a property is paid to within the redemption threshold, the case is staged to “Evaluate Sale/Property” and the tax sale unit staff are prompted to review. If the property has been paid to a balance of under \$100, then the staff will begin the process of collecting the necessary documents for a refund.

The following are necessary to timely process your refund relating to a single parcel:

- a. Subsequent Tax Payments (if applicable) - Proof of payment (copy of DC Cashier’s receipt or copy of cancelled check – front and back);
- b. Pre-complaint Legal Expenses (if applicable);
- c. Copy of the Certificate of Sale; and,
- d. Title Search and the paid receipt issued for the services rendered for the Pre-Complaint Legal Expenses or an affidavit or a statement from legal counsel attesting to the fact that the services for the Pre-Complaint Legal Expenses were rendered.

Note: The submitted document must state when such expenses were incurred. (The purchaser will not be reimbursed for Pre- Complaint Legal Expenses incurred within 4 months from the last day of the tax sale.)

The purchaser may obtain a tax sale refund and continue the foreclosure action if legal fees have not been paid to the purchaser.

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32. What is the Discount Tax Sale purchaser responsible for paying after the sale for properties won at the sale?

All real property taxes going forward, beginning with Tax Year 2024 real property taxes and any BID taxes or vault rents becoming liens after December 5, 2023.