



**PIMA COUNTY TREASURER'S OFFICE**

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# *Tax Lien Sale*

# *2023*

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## I. DISCLAIMER

(Mandatory Reading)

Welcome to the Pima County 2023 Tax Lien Sale. This is a public sale of delinquent real property taxes, held pursuant to Arizona Revised Statutes, Title 42, Chapter 18 Article 3, Section 42-18126, and the law of the land.

To those of you who are new to this type of sale, I would like to make clear the manner in which this sale will be conducted, exactly on what you are bidding, and what you will receive in the event you are successful in purchasing a tax lien on a property.

You **are not** bidding an amount that you wish to pay in order to obtain a Certificate of Purchase; you are bidding the rate of interest that you are willing to accept on your investment. The amounts printed in the newspaper are the base tax, interest, penalties and any fees due through February 2023. You are not purchasing property, but a tax lien against the property in the amount of your investment. In the absence of any future payments by the property owner, your Certificate of Purchase allows you to make subsequent payments of delinquent taxes. This amount will be added to your initial investment and continue to draw interest at the same rate as originally bid until such time as the tax lien is redeemed or a foreclosure action results.

Pursuant to Arizona Revised Statutes, Section 42-18201, you must hold the certificate for a period of three years from the date of original offering before initiating an action in Superior Court. **You are advised to investigate, prior to bidding**, to determine whether the property would be of sufficient use or value to you should you be in a position to obtain a deed at some future date.

Legal descriptions are obtained from the **assessment and tax roll** generated by the County Assessor, who does not guarantee the descriptions are complete or entirely correct. You are advised to independently verify legal descriptions prior to bidding. Otherwise, difficulties, including obtaining title insurance, may occur in connection with foreclosure.

In the event of a bankruptcy proceeding, either before or after the sale of the lien, there is no guarantee the purchaser of the tax lien will be refunded his/her entire purchase amount, receive the anticipated interest, or receive any interest whatsoever. The United States Bankruptcy Court will make that determination! You will not be able to pursue any foreclosure action while the bankruptcy stay is in effect.

In the event a property has been split from another property with delinquent taxes, there may be tax liens prior and superior to the one you are purchasing. You are advised to research such genealogy and tax status prior to bidding.

Due to re-platting, conveyances, etc., real estate may have a different legal description and/or different parcel number for different tax years. Once again you are advised to research the genealogy of a property prior to bidding in order to buy all delinquent taxes under all parcel numbers for that property.

You are advised that, pursuant to the laws of the State of Arizona, specifically ARS 42-18116, in the event a person to whom a tax lien has been sold fails to pay the amount due and the sale has closed, the Treasurer may recover the amount bid by civil action in a court of competent jurisdiction.

Again, I would like to welcome you to the Pima County Tax Lien Sale - in my humble opinion - the ultimate in buyer beware. On your own volition, you are about to do business with government and government has written every one of the rules by which we play this game.

Caveat emptor! Let the buyer beware! Good luck and good bidding.

## II. RECOMMENDATIONS

### ***A. PIMA COUNTY'S BEST***

As a potential investor of tax liens, **you** are advised to thoroughly research all aspects of property you are interested in to determine its value to you.

### ***B. WHAT YOU SHOULD DO/KNOW***

You should independently verify legal descriptions of properties before bidding. Otherwise, difficulties, including obtaining title insurance, may occur during foreclosure proceedings.

You should research genealogy and tax status of properties before bidding. Pima County and the Pima County Treasurer make no title warranties on properties at the sale. Neither the County nor the Treasurer warrants title concerning disclosed or undisclosed title problems including any environmental problems.

You should know that on certain parcels, in addition to ad valorem taxes offered for a tax lien sale, there might be special assessments or other liens due that are unknown to the Pima County Treasurer.

You should know that in the event the Board of Supervisors retroactively cancels a property or corrects the valuation or classification of a property by resolution, you might not receive the anticipated interest.

You should know that in the event of bankruptcy proceedings either before or after the sale of a tax lien, there is no guarantee that the investor of the tax lien will be refunded his/her entire purchase amount, receive the anticipated interest, or receive any interest whatsoever. The United States Bankruptcy Court will make that determination. Liens will be offered for sale that are currently under bankruptcy protection. We will provide you a list of those parcels that are under bankruptcy protection, to the best of our knowledge. We make no warranties as to the accuracy or completeness of this list. It is provided to you as a courtesy by the Treasurer's Office.

### ***C. RESOURCES***

A wide variety of research materials on property tax liens are available to the general public. The Pima County Treasurer's Office has computers to research County and Treasurer's Office records. We also provide data at your request for a non-refundable fee of \$50.00. Members of the Treasurer's Office staff are available Monday through Friday, between 8:00 AM and 5:00 PM to assist in answering tax lien questions. They can be reached at (520) 724-8341.

You may obtain general tax information by visiting the Treasurer and Assessor web sites at [www.to.pima.gov](http://www.to.pima.gov) and [www.asr.pima.gov](http://www.asr.pima.gov). For additional information regarding these services, please contact our office at 1-

520-724-8341. To obtain information regarding Arizona Revised Statutes, you may visit the Arizona State Government website A.L.I.S. (Arizona Legislative Information Services) at [www.azleg.gov](http://www.azleg.gov).

The Pima County Treasurer's Office presents the information within this document as a service to the public. We have tried to ensure that the information within this document is accurate. The Treasurer's Office makes no warranty or guarantee concerning the accuracy or reliability of the information contained herein. Assessing accuracy and reliability of information is the responsibility of each individual. The Treasurer's Office shall not be liable for errors contained herein or for any damages in connection with the use of the information herein.

### **III. DEFINITION AND PROCEDURES OF A "TAX LIEN SALE"**

#### ***A. DELINQUENT PROPERTY TAXES IN PIMA COUNTY***

The Pima County Tax Lien Sale is held annually in February (A.R.S. 42-18112). The sale involves the offer/purchase of delinquent taxes for tax years 2021 and prior. To be included in the sale, taxes must be delinquent for two or more years. (ARS 42-18104). For example:

2021 tax liens will be offered for sale in February 2023 (A.R.S. 42-18104)

2020 tax liens were offered for sale in February 2022

2019 tax liens were offered for sale in February 2021

You are NOT purchasing property. Instead, as an investor in Pima County, you are purchasing a tax lien (Certificate of Purchase) in the amount of all taxes due, interest charges and related fees. A Certificate of Purchase or CP is defined as a lien document signifying payment of delinquent secured property taxes by an "investor." The lien against the property is sold in an open competitive bidding process based on the lowest interest rate to be received by the investor. Bids are accepted in 1% decrements. Zero percent (0%) bids are acceptable.

By State Statutes, a formal list of all delinquent parcels is advertised in the issue(s) of a paper of general circulation at least two weeks prior to the sale. The properties subject to the 2023 tax lien sale of delinquent 2021 and prior taxes will be published in the Daily Territorial. To obtain a copy of the list, please contact the Daily Territorial at (520) 294-1200. The listing is also published on the Internet at [www.ananews.com](http://www.ananews.com) where you will find the appropriate link.

#### ***B. BIDDER REGISTRATION***

The Treasurer's Office is required by the Internal Revenue Service to obtain the tax identification number and a completed W-9 form at the time each buyer registers as a bidder. Regulations implemented by the Internal Revenue Service require the Treasurer's Office to withhold 28% of all proceeds for non-compliance or incorrect reporting of the tax identification number.

For individuals, the tax identification number (TIN) is your Social Security Number (SSN). Incorrect numbers may occur because of a name change due to marriage, divorce, adoption or some other reason that has not been communicated to the Social Security Administration. Alternatively, the account may not contain the

correct number of the actual owner. An account must be titled in the name of the actual owner, not a child's name with the parent's SSN.

For most non-individuals (i.e., trust, estates, partnerships, and similar entities), the tax identification number (TIN) is the Employer Identification Number (EIN) for the organization. The EIN on your account may be incorrect because it does not contain the number of the actual owner of the account. For example, an account of an investment club or bowling league should reflect the organization's own EIN number rather than SSN of a member.

Please make sure the TIN you write on the Bidder Information form matches the name shown on your social security card or Employer Identification form. Should you have any doubts about the number and name matching, send us a copy of your Social Security card, Notice of EIN (Form 8501), Application for EIN (form SS-4) or Notice of New EIN Assigned (Form 5372).

In addition, Pima County adheres to the Single Simultaneous Bidding Entity Rule which requires that each bidding entity shall register only once for the purpose of bidding on or purchasing tax certificates and shall not have a contractual, legal or financial relationship with any other bidding entity registered in the Pima County Tax Lien Sale.

This rule governs tax certificate sales that are conducted utilizing a competitive bid auction process and does not apply to county held, direct purchase transactions or the transfer of certificates after the tax lien sale has concluded.

### ***C. THE BIDDING PROCEDURE***

The 2023 Tax Lien Sale will be held on line and hosted by RealAuction.com. Liens will be offered for sale by the corresponding sequence number for each parcel in the order they appear in the newspaper. Liens will be segregated into batches to facilitate the bidding process. The bidding will start at 16% and must be in 1% increments. A 0% bid is acceptable. The successful bidder must pay the entire amount due by date indicated under the Bidding Rules on our auction website at RealAuction.com. You are advised that, pursuant to the laws of the State of Arizona, specifically ARS 42-18116, in the event a person to whom a tax lien has been sold fails to pay the amount due and the sale has closed, the Treasurer may recover the amount bid by civil action in a court of competent jurisdiction. The sale continues until all liens are sold and/or the batches are closed. The auxiliary session will start an hour after the final batch closes and will close at 5pm the following day. The auxiliary session will include all tax parcels that were not sold during the regular sale. ALL SALES ARE FINAL.

### ***D. AMOUNT OF PURCHASE***

The amounts printed in the newspaper represent the total purchase amount, which includes the base tax amount, interest accrued through February 2023, and penalties. Additional fees include a \$10.00 certificate fee and a non-refundable processing fee ranging from \$1.00 to \$10.00 per parcel, dependent upon purchase amount, as well as any outstanding NSF fees unpaid at the time of the sale and the refundable fee charged by Real Auction.

The County processing fees are assessed as follows: For a purchase amount less than \$50.00 the fee to you is \$1.00, for a purchase amount less than \$200.00 your fee is \$5.00. Any purchase amount \$200.00 or greater, will carry a fee of \$10.00.

The fee charged by Real Auction is assessed *per delinquent tax year* and is as follows: For an amount less than \$50.00 there is no fee for that year, for an amount between \$50.00 and \$200.00 the fee is \$5.00 for that year. Any amount greater than \$200.00, will carry a fee of \$10.00 for that year.

### ***E. PAYMENT FOR CERTIFICATE***

The total purchase amount must be paid by the date indicated in the bidding rules. Payment instructions will be provided on the Real Auction website. Upon payment of the purchased tax liens, the investor will be issued a receipt that indicates the parcel number, the certificate number and dollar amount paid. The receipt will not include the fee charged by Real Auction.

ALL SALES ARE FINAL unless there are mitigating circumstances. Such circumstances should be placed in writing and submitted to the Treasurer for their decision. A refund may be issued depending on the decision.

### ***F. REGISTER OF CERTIFICATES OF PURCHASE***

The Pima County Treasurer provides for a registered Certificate of Purchase in the Treasurer's records in lieu of a physical certificate (ARS 42-18118). Each bidder will receive a quarterly statement titled "Unmatured Tax Lien Portfolio." This statement will reflect all outstanding, unredeemed certificates of purchase for the bidder number indicated on the statement. It will include the certificate number, parcel number, interest rate, purchase date and certificate amount by tax year, and total certificate amount.

### ***G. TRANSFER OF CERTIFICATE OF PURCHASE***

If not redeemed, a Certificate of Purchase (CP) may be transferred to another registered bidder. The transferring owner must complete a "Request for Reassignment" form (found on our website) for each CP. After the form has been notarized it must be submitted to the Pima County Treasurer's Office with a \$10.00 transfer fee (per CP) for the transfer to be processed. Once the taxes are redeemed, the Treasurer then initiates a redemption payment to the last CP holder on record.

## **IV. THE DEEDING PROCESS**

For an investor to obtain a Judicial (Judgment) Deed to the property as a result of non-payment of a tax lien, the investor must hold the tax lien certificate for a minimum of three (3) years from the date the certificate was first offered for sale. A foreclosure action in a Pima County court of competent jurisdiction can order a transfer of title from a property owner to a tax lien holder because of non-payment of property taxes (A.R.S. 42-18203/18204).

As an example, in the case of a 2012 tax lien certificate purchased at the tax lien sale on February 25, 2014, you could file an action in a court of competent jurisdiction to foreclosure after February 28, 2017 to receive a judgment deed to the property.

Please be aware that, if you own six or more lots in a subdivision, you may be considered a "subdivider." You should contact the Arizona Department of Real Estate for determination and instruction.

## V. REDEMPTION OF A TAX LIEN CERTIFICATE

Any time during the period an investor holds a tax lien certificate, it is subject to redemption by the property owner, his agent, assignee, attorney, or by any person having legal or equitable claim therein, including a purchaser of a certificate of a different year or person making a charitable gift to the owner (A.R.S.42-18151/18153). Full payment of all taxes, interest and fees is required to be made by the property owner, et al. Pursuant to A.R.S 42-18154A, the Treasurer must be satisfied that the person or entity redeeming the lien has the legal right to redeem. Recorded documents or evidence of recording may be required to establish proof of right to redeem.

Should the tax lien certificate be redeemed any time prior to deeding, the investor will receive the purchase amount, less non-refundable fees, plus the rate of interest bid at the time of the sale. If purchased at the tax lien sale, interest will accrue from March 1<sup>st</sup> and each month thereafter until redeemed (A.R.S. 42-18153). Any portion of a month counts as a whole month. (A.R.S. 42-18053)

We offer you the option to receive your redemption payments and supporting documentation electronically. The ACH authorization form will be made available to you upon request if at any time you choose to participate. The website also provides registration for ACH Redemption payments.

## VI. NEW ASSIGNMENT PURCHASES

Our office provides data for a fee of \$50.00 with all the available parcels, which is updated monthly. Data fees are non-refundable.

Lists for new assignments and the accompanying payments **must be received by the Treasurer's Office** during the dates listed below:

April 1	through	April 20	August 1	through	August 20
May 1	through	May 20	October 1	through	October 20
July 1	through	July 20	November 1	through	November 20
			December 1	through	December 15

Please note that we do not sell new assignments during the months of January, February, June and September. A completed Form W-9 should be included with your submission if one is not already on file in our office. Purchase amount and fees should be submitted as described in Article III section D. PURCHASE AMOUNT. Certificate fees are collected per ARS 42-18118 and processing fees per ARS 42-18116.

Submissions may be submitted in person, by mail or by e-mail. However, any submission consisting of more than 25 parcels must be submitted electronically (e-mail or on disk) in Access, Excel, or CSV format. The electronic submission MUST include parcel, tax year, and amount.



## VII. SUBSEQUENT TAX PURCHASES

Lists for sub taxing (subsequent tax purchases) and the accompanying payments must be received by the Treasurer's Office during the dates listed below:

April 1	through	April 20	August 1	through	August 20
May 1	through	May 20	October 1	through	October 20
July 1	through	July 20	November 1	through	November 20
			December 1	through	December 15

Please note that we do not sell subsequent tax years on existing liens during the months of January, February, June and September. A fee of \$5.00 (ARS 42-18121) is required for each parcel being sub taxed.

Subtaxed years earn interest at the rate of the original Certificate of Purchase. For example, if the original Certificate of Purchase is 10%, the subsequent years purchased will earn 10% interest.

Submissions may be submitted in person, by mail or e-mail. However, any submission consisting of more than 25 parcels must be submitted electronically (e-mail or on disk) in Access, Excel, or CSV format. The electronic submission MUST include parcel, tax year, bid percent, and amount.

## VIII. EXPIRATION OF TAX LIENS

The Arizona Revised Statutes provides that the right to bring an action to foreclose the right to redeem terminates ten years from the date the lien was purchased. The Certificate of Purchase or registered certificate then expires and the lien is void.

A judicial proceeding may prevent the Pima County Treasurer's Office from voiding your lien on its records. If a judicial proceeding for the Certificate of Purchase begins before the expiration date of the lien, it is imperative that you provide the Pima County Treasurer's Office with verification of the judicial proceeding as soon as possible.

## IX. CONTACT INFORMATION

Fax: 520-724-4809

E-mail: [lou.leytem@pima.gov](mailto:lou.leytem@pima.gov)  
[melanie.farrington@pima.gov](mailto:melanie.farrington@pima.gov)  
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## **X. COUNTY ATTORNEY DISCLAIMER**

Certificates of Purchase are fixed income financial instruments. Pima County, the Pima County Board of Supervisors, the Pima County Treasurer, the Pima County Assessor, and the Pima County Recorder (“Pima County”) make no representation with respect to the suitability of such financial instruments as investments. The tax and property information provided by Pima County for the sale of tax lien certificates is provided for informational purposes only and should not be construed as any recommendation, value or endorsement. The buyer assumes sole responsibility for researching, reviewing and determining the risks and merits associated with the purchase of tax lien certificates. Pima County disclaims any and all warranties including the accuracy or completeness of any information provided. Buyers rely upon the accuracy and completeness of any information at their own risk. A Certificate of Purchase may be canceled or reduced to correct errors, omissions, double assessments or by court order.