

# How does the On-Line Tax Sale work

The following is an overview of the entire process that we refer to as the On-Line Tax Sale. It is intended as an overall understanding, from start to finish, on how the process works. It is not intended to include specifics on the Florida Real Estate Delinquency statutes or processes, and it is not intended to replace the need for tax sale documentation and/or training which is also available on-line.

Overview

## Registration for the Tax Sale

Before you can begin bidding on tax certificates for any county, you must perform a series of Registration tasks. These registration requirement tasks need only be performed once per year, after which you won't need to perform these procedures again, with the exception of making additional deposit payments if necessary.

The registration process consists of the following steps:

- Setup your Web Access account. This involves establishing a Userid and Password that you'll use to log into the on-line tax sale site(s). You must setup this account to participate. The same web access account (userid/password) can be used across multiple counties. Each year you must re-setup your Web Account and re-register.
- Register for the Tax Sale for each county you intend on participating in. This registration includes...
  - o Completing a new W9 for each county. A new one is required each year by each county.
  - o Reading and agreeing to the Bidders Agreement. This agreement is made between you and the county. It describes the requirements and rules of the tax sale. It must be agreed to (signed) before you can participate in the tax sale.
  - o Receiving a Bidder Number from the county. The county reviews all registrations and will assign to you a Bidder Number. You must have received a bidder number before you can participate in the tax sale.
  - o You will receive an email from the system, containing your bidder number. This is your proof/confirmation that you have completed your registration. If you don't receive this email, then you are not registered, and should contact the tax collectors office for assistance. You should allow multiple days for the tax collector to assign your bidder number and activate (email you) your account.

Registration is open generally a couple weeks before bidding can begin and a 2 days before the actual tax sale.

## **Bidding**

Once you have successfully Registered and once the On-Line bidding start date is reached, you can Log In and begin placing your bids. The on-line bidding start date is the first day that the advertising list is published in the newspaper. Bids can be submitted anytime from this date, until the deadline for bidding, which is published by each Tax Collector.

On-Line County Tax Certificate Sales in the State of Florida follow a sealed bid format in the form of Proxy Bidding. These auctions are conducted in a format in which bidders are encouraged to submit the lowest percentage rate bid they are willing to accept on their investment in order to win a particular tax certificate. This minimum bid is held in confidence in the system until the end of the bidding (until the Certificates are Awarded). The system, on behalf of the bidder will bid submit the percentage rate bid necessary to maintain your position as the low bidder.

Bids can be changed or removed anytime prior to this scheduled Bid Ending Date.

### **Proxy Bidding**

Any bids submitted on this web site are treated as Proxy Bids. Proxy Bidding permits users to enter in advance of the actual Tax Sale, the minimum interest rates they are willing to accept for each tax certificate they would like to purchase. The Web Site will serve as the Users' agent for submitting Proxy Bids on the day of the Tax Sale.

There are multiple ways of bidding. You can place bids on specific parcels (one by one). You can utilize the tools within the system to query and filter the list and place bids on the entire filtered list. You can download the available list into an excel spreadsheet and place your bids off line, and then upload your bids back to the web site. All of these ways are available and you can use any/all of them to place your bids.

Remember, you have from the date the bidding begins, the first date the advertising list is published in the newspaper until ending bid date. There is no advantage gained or lost by the timing of your bids.. all bids are treated equally during the awarding process, regardless when or in what order they were place.

## **Deposit Requirements**

By Florida Statute, you must have a deposit recorded with the Tax Collector for 10% of the total amount of the Certificate Face amount (the auctioned item amount) before it can be awarded to you. Since the Tax Sale is being conducted online and the awarding process is based on Proxy

Bidding, you are required to pay the Tax Collector what you anticipate winning. If you anticipate winning ALL of your bids, it is recommended you pay 10% of the total amount that you are bidding. If you don't anticipate winning all bids, then you need to determine the level of deposit that your comfortable with, knowing that a certificate (auctioned item) cannot (will not) be awarded to you IF your available deposit at the time of the awarding does not cover 10% of the face amount of that certificate (that auctioned item). The amount of the deposit is completely your responsibility. Any bid that does not have the appropriate deposit to "back it up" is considered unqualified and is not submitted for you on the day of the tax sale.

This deposit must be received by the Tax Collector prior to Certificate awarding. You can make your required deposits by using a number of options, which include:

- Paying on-line using an eCheck. An eCheck is much like writing a personal check, it's just done on-line. You will input your checking account routing and account numbers. You can only use checks from checking accounts that allow for the on-line ACH processing of the check. That generally means, that you can only use echeck from accounts that are standard "checking accounts". Generally, money market checking accounts will not work, nor will other investment type checking accounts. If you question whether your bank allows for eChecks from your account, you should contact your bank. Because of the banking ACH network available for on-line commerce, it's not always known at the time of the transaction whether the eCheck will be accepted (be processed) by your bank. Thus, it's your responsibility to follow thru and ensure that your eCheck did process through your bank. Because eChecks don't constitute certified funds, the use or ability to use eChecks is disabled approximately 7 business days before the Tax Sale. This gives the check plenty of time to clear both banks (your bank and the tax collectors receiving bank) successfully.

There is a maximum eCheck deposit transaction of \$ 50,000 within an eCheck Transaction. If you need to deposit more than that, then you need to split your deposit into amounts less than \$ 50,000 and make multiple eCheck deposits.

There is no other cost to you to utilize the eCheck deposit method.

- Payment of deposits using traditional Certified checks/funds. You can pay using Certified checks right up until the close of business the on the last date the county is accepting deposits, as published on their web site.
- Wire Transfer of deposit money into the Tax Collectors receiving bank account (Madison County does not accept wire transfers). Instructions for these wire transfers can be obtained on-line from the Make Deposit page, or by requesting them directly from the Tax Collectors office. It is recommended that you notify the Tax Collectors office if/when you perform the wire transfer with the amount and the payee name and bidder number, so that the tax collector will be aware that it is coming and will record it against your account accordingly. You can pay using a Wire Transfer right up until the deadline for paying your deposits, as published by the

Tax Collector. Just remember, banks may have their own timing limitations, so please don't wait until the very last minute to make these transfers. Contact your bank if there is any question regarding when/how soon money is actually transferred. You are responsible for any costs associated with the Wire Transferring of funds.

- The use of Credit Cards is not allowed.
- Any other form of deposit would need to be approved by the Tax Collectors office directly, please contact them.

## **Tax Sale Awarding**

On the Tax Sale date (generally first thing in the morning), the software application will compare your minimum qualified acceptable rate for a particular certificate with the best qualified bid submitted for that same certificate by all other bidders. If your minimum acceptable rate is lower than the best rate submitted by all other bidders for the same certificate and if you have enough available deposit to cover 10% of the face amount of this item, then the Web Site will automatically generate a bid on your behalf that is 0.25% less than the best rate submitted by all other bidders. Other users will similarly have their minimum acceptable rates reviewed by the software, and if their minimum acceptable rates are below the best rate submitted by all other bidders for the same certificate, and they have met the deposit requirements, then the Web Site will generate a bid for such user(s) that is 0.25% below the best rate submitted by all other bidders.

If there is a tie at the winning bid rate, the certificate will be awarded by the software to one of the tie bidders, that have met the deposit requirements, through a random selection process using random selection software. In the case of a tie, the winning percentage (the percentage recorded on that certificate) will be the percentage that was bid. Example, if two people bid 2%. One of these two will be awarded the certificate (awarded thru the random awarding process) and the winning percentage used on the certificate will be the bid percentage of 2%

If there is only one bidder who placed a bid on a certificate, that bidder will be awarded the certificate, as long as they have met the minimum deposit requirements, and the percentage used on the certificate will be 18%.

If a bidder bids 0% and is awarded the certificate, the percentage used on the certificate will be 0%.

Bids will be accepted in increments of .25% and be no higher than 18% and no lower than 0.00%.

You must be sure that you want a tax certificate before you bid. All Sales are final and there are no refunds. If as a winning bidder you fail to complete the purchase of a tax certificate, you forfeit your deposit and a County may choose to take legal action.

## **Payment for Certificates after the Tax Sale**

Once the Tax Sale is processed (on the date of the Tax Sale), you will immediately be able to see through this web site the status of the certificates that you bid on. The total amount that is due to the Tax Collector will be displayed on the web site. This due amount will be calculated as: The total Certificate Face amount for all certificates won minus the total deposit paid prior to the sale. This amount must be paid directly to the Tax Collector with **Certified Funds** within 48 hours after the Tax Sale. Any certificates that are not paid for with certified funds within 48 hours after the tax sale will be re-advertised and re-auctioned and the bidder will lose the 10% deposit paid on the certificate.

It is your responsibility to ensure that the payment of certificate won is received by the Tax Collectors office within the required time. You should contact the Tax Collectors office ahead of time to arrange for non-traditional certified funds (e.g. wire transfers), if that's your intention.

The use of on-line eChecks is not allowed, since these are not considered Certified Funds. The use of credit cards is not allowed.

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### WAIVER AND RELEASE OF LIABILITY AND INDEMNITY

The web user, if participating in the online tax sale, agrees to waive, release, defend, indemnify and hold harmless D&T Ventures, LLC, its agents, consultants, contractors, and employees from all liability for any and all claims, demands, damages, losses or expenses, actions, causes of action or suits in equity arising out of or resulting from the use or inability to use the services, instructions given within this document or data provided, including without limitation, negligent acts, errors or omissions of D&T Ventures, LLC.