FERRY COUNTY
350 E. Delaware • Republic, Washington 99166-9747
(509) 775-5225
www.ferry-county.com

Frequently Asked Questions About Property Tax Foreclosure

Does Washington State sell Tax Lien Certificates?

- No. Washington State is not a tax lien state. We are a tax deed state.

How does tax foreclosure work in the State of Washington?

- The County Treasurer is required by state law to start a tax foreclosure on any real property which has a tax payment due that is three or more years delinquent. The Treasurer's Office, with the assistance of the Prosecuting Attorney's Office, must file a Certificate of Delinquency with the Ferry County Superior Court. This starts the tax foreclosure process. The Treasurer's Office usually begins this process in May of each year. The Treasurer's Office must notify all lien holders of the tax foreclosure via certified mail. The Treasurer's Office gets this information by ordering title reports. A list of owners and lien holders is also published in a local newspaper. If the tax is not paid, prior to the scheduled auction day, the property goes to sale.

How many tax sale auctions do the Ferry County Treasurer's Office have a year?

- The Treasurer's Office holds only one real property tax sale a year, which is normally scheduled in mid-November and held at the Ferry County Commissioners building.

Do I need to register with the Ferry County Treasurer's Office to become a bidder?

- No. You will sign in as you enter the building prior to the auction. As a bidder, you must also follow the rules and regulations of the Ferry County Treasurer's Office. Go to the Treasurer's web page to find this information.

If I am a winning bidder, what forms of payment are accepted by the Treasurer's Office?

- The Treasurer's Office only accepts certified checks (no personal checks allowed), or cash.

Does the County finance for tax foreclosure properties?

- No. You must make payment in full by the time instructed in the Terms of Sale.

How long does it take to get a deed if I am the winning bidder?

- A tax deed will be issued within thirty day of the end of the auction. The end of the auction is when the Treasurer deems the entire auction is closed, not when the winning bidder may have paid for the property they won. The tax deed will be mailed to the winning bidder at the address provided at the time of payment.

If I am a winning bidder and don't like what I bought, can I just not pay or get a refund?

- No. A bid on the property is an irrevocable offer to purchase property. If you do not pay within one hour after the sale, the property goes back to auction. You will not be able to bid on the property. You may also be banned from all future tax sales.

What happens to all the liens on a property that is sold at tax sales?

- In Washington State, the tax lien is the highest priority, see RCW 84.60.010. It is understood that most other liens are extinguished from a tax sale. However, the Treasurer's Office makes no guarantees, warranties, or implications that a lien holder may or can dispute their lien. There are specific liens that do survive a tax sale. You may want to consult an attorney for legal advice.

Does the Treasurer's Office know much about the properties in a tax foreclosure?

- The Ferry County Treasurer's Office knows very little about the properties in tax foreclosure. Our responsibility is to collect taxes owed to the County. All the information we use comes from other departments and title reports. Ours office knows nothing about the condition, land use, or whether structures on properties are livable. Our office is also unable to give any legal advice.

What if people are living on or using a piece of property I purchased at tax sale?

- All foreclosure sales are *"buyer beware, as is, where is."* If you purchase a property at tax sale and people are on the property, it is between you and the parties on the property to resolve. The Treasurer is unable to assist in any way.

What happens to properties that do not sell at tax sale?

- They become property of the County.

What exactly are surplus funds from a tax sale?

- When property goes to tax sale, the Treasurer's only obligation is to collect the back taxes, interest, penalties, and costs. Any difference between the minimum bid, and sale price is called surplus funds. The Treasurer is responsible to pay the surplus funds to the owner of record at the time the lawsuit began. The owner has three years to request these funds. If after three years no request has been made, the surplus is deposited to the County's general fund.

Before I make a bid, can I go onto the property and look?

- Understand that a tax foreclosure sale is not like a bank foreclosure. The property is privately owned until the new deed is issued. By going onto property during the tax foreclosure process, you may be trespassing on private property.

Some of the properties are bare land, can they be built upon?

- In Washington State, all property is taxable unless specifically exempt by law. This means there are many different types of real property, which can include; hills and mountainous topography, property under water, and other properties which have specifications for use per plat maps. You must do your own due diligence and be sure that property you are purchasing can be used for your intentions. A property is not necessarily buildable merely because it is being taxed.

Will I be able to resell or get title insurance on property purchased at tax sale?

- You can sell property purchased from tax foreclosure; however, many title companies will not insure the property for up to three years. One reason is there is a three-year redemption period for a person of interest whom is a minor or a person deemed incompetent. You may get a quiet title action by going through Superior Court. A title company may insure after a quite title action is complete, but it is the decision of the title company.

What are improvements?

- Improvements are something being assessed on real property that is a structure of some sort. These may include but are not limited to; houses, mobile homes, barns, garages, lean tos, sheds, and others. Power, water and septic are also considered improvements.

Can anyone pay taxes on a property in tax foreclosure to get the property out of the tax foreclosure process?

- No. Only a person or entity with legal interest may pay the taxes to redeem property from the tax foreclosure process. The legal owner may fill out the required affidavit giving a person that does not have legal interest the ability to pay on their behalf.

I have noticed sometimes there is a property in foreclosure with a tax year more than three years delinquent, how can this be?

- Although, the Treasurer's Office is required to start tax foreclosure on property with a tax payment three years or more delinquent, in some cases a property can have protection from the foreclosure process. It may be possible for a property owner to have been protected by federal law if they have filed bankruptcy. Bankruptcy cases may last for several years, and while in this status, no collection efforts may take place. It is also possible that property was previously in tax foreclosure, but had to be pulled from foreclosure for legal purposes. Also, when we start foreclosure, we foreclose on the full year of taxes. So, if we are foreclosing on the tax year 2021 and/or prior, and the owner paid the first half of 2021, it would not qualify until the next year. Therefore, you would see the second half 2021 tax and the full year of 2022 tax on the Certificate of Delinquency the year we started the foreclosure process.

May I get on a mailing list for notifications of upcoming auctions?

- No. Ferry County Treasurer's Office does not maintain a mailing list. We will update our website as soon as the Certificate of Delinquency is filed. We will also have paper copies for pickup in our office.