

# **PINAL COUNTY TREASURER**



# **PINAL COUNTY**

**WIDE OPEN OPPORTUNITY**

## **Tax Lien Sale Information Booklet**

This Booklet is provided for informational purposes only and grants no rights to tax lien purchasers. Tax lien sales, redemption rights and foreclosure requirements are governed by Arizona Revised Statute Title 42, Chapter 18. Nothing in this Booklet should be read to conflict with or expand on the rights and responsibilities set forth therein.

# **Pinal County Tax Sale**

## **TABLE OF CONTENTS**

	<b>Page</b>
<b>I. Introduction</b>	<b>3</b>
<b>II. Definition of a “Tax Lien Sale”</b>	
A. Delinquent Property Taxes In Pinal County	<b>4</b>
B. The Bidding Procedure	<b>4</b>
C. Amount of Purchase	<b>5</b>
D. Payment for Certificate	<b>5</b>
<b>III. Know What You Purchase</b>	<b>5</b>
<b>IV. Bidder Registration</b>	<b>6</b>
<b>V. The Foreclosure Process</b>	<b>8</b>
<b>VI. Redemption of a Tax Lien Certificate</b>	<b>8</b>
<b>VII. Treasurer Contact Information</b>	<b>8</b>
<b>VIII. Refund Policy</b>	<b>9</b>
<b>IX. Important Bankruptcy Information</b>	<b>9</b>
<b>X. Subsequent Taxes</b>	<b>10</b>
<b>XI. State Deed Sale</b>	<b>10</b>
<b>XII. Fee Schedule</b>	<b>11</b>

## Pinal County Tax Sale

### I. INTRODUCTION

This booklet has been prepared to provide you (as a **bidder**) with an explanation of the tax sale and the procedures established in Pinal County for the sale of tax liens. This information generally applies to all parcels offered for sale. There may be circumstances unknown to the Treasurer that would alter certain information contained herein.

Throughout the booklet, you will note a reference to the Arizona Revised Statutes (ARS) on procedures of which are required by all Arizona County Treasurers.

A tax lien sale is held in February each year in accordance with ARS 42-18112.

***Tax liens not sold*** at the tax lien sale will be offered online approximately the first week of March through the end of December; and may be purchased at the full rate of 16% when the Treasurer has processed all successful bids from the Tax Lien Sale.

The Arizona Open Records Law makes all public records available for inspection by members of the public. Therefore, a bidder's name and address may be disclosed to the public (ARS 39-121.03).

We appreciate your participation in the Pinal County Tax Lien Sale. If you have any comments/suggestions, please feel free to contact me at [treasurer@pinal.gov](mailto:treasurer@pinal.gov).

Pinal County Treasurer

## **Pinal County Tax Sale**

### **II. A TAX LIEN SALE (Definition)**

#### **A. Delinquent Property Taxes in Pinal County**

The Pinal County TAX LIEN sale is held every year in February (ARS 42-18112). The sale involves the delinquent taxes for the previous tax year. For example:

2017 tax liens were sold in February 2019 (ARS 42-18104)

2018 tax liens were sold in February 2020

An online tax sale will be open to the public each year in February for purchase of tax lien certificates. A list of properties with prior years' delinquent taxes will be published in the newspaper of general circulation for the county two weeks before the Online Tax Lien Sale. The day after the list is published the tax liens will also be available via the vender website for parcel viewing and bidding at <https://pinal.arizonataxsale.com/>

Bidders MUST do their own research or hire qualified professional advisors, to learn and understand what they are purchasing and what their rights and liabilities may be with regard to their purchases. ALL SALES ARE FINAL. A successful bid does not convey any right to enter upon, build on, or sell this property until a lien is foreclosed in accordance with statutes and a Treasurer's Deed is issued following a court ordered judgment.

It should be understood that you are bidding the rate of interest you are willing to accept to purchase the TAX LIEN on a parcel of land only.

The Treasurer does not make any guarantees that a purchaser will make money on a purchase and should be aware of the fact that the property owner has a right to redeem the tax lien AT ANY TIME.

Bidders must be registered and have their initial deposit submitted via Wire or ACH though the Real Auction web site one day prior to the sale in order to participate. Please refer to bidding rules for deposit instructions. No deposits will be accepted at the Treasurer's office.

The County held certificates not sold at auction will be available for purchase online approximately the first week of March through the end of December.

#### **B. The Bidding Procedure**

The sale will be conducted online by a third party vendor accessible via the Treasurer website <https://treasurer.pinal.gov/parcelinquiry/main/taxliensale>. Tax Liens will be sold in groups on the sale date. New bidders must be registered at least one day before the sale. The first group closes at 8:00 am MST. Successive batches close in one hour intervals, with the final batch closing at 4:00 pm MST. All bids must be placed prior to the closing of the sale group. Additional

## Pinal County Tax Sale

information regarding bidder registration and the bidding process can be found at <https://pinal.arizonataxsale.com/>

All parcels will be offered for sale in the order in which they appear in the newspaper of general circulation for Pinal County two weeks prior to the Online Tax Lien Sale. **ALL SALES ARE FINAL.** All bidders are required to deposit \$500 *or 10% of anticipated bid, whichever is greater.* At the end of the sale, it is your responsibility to “Checkout” and pay for the tax liens awarded to you within twenty four hours of the close of the Online Tax Lien Sale.

The interest on a certificate ranges from 0 to 16%. The bidding will begin at sixteen percent (16%) and shall be awarded to the bidder who offers to accept the lowest rate of interest.

### C. Amount of Purchase

The amount in the legal advertisement and on the website shows the current taxes being offered for sale, as well as the available prior year(s) delinquent taxes, and all related interest, fees and penalties owing on the parcel at the time of sale. This is the amount you must pay to become a successful bidder. The parcels appearing in the newspaper or on the website with an (\*) after the total amount indicate prior tax lien certificates may exist for preceding tax years. The Pinal County Treasurer’s Office advises all bidders to research these parcels prior to the tax sale.

### D. Payment for Certificate

At the end of the sale, it is your responsibility to “Checkout” and pay for the tax liens awarded to you via Wire or ACH at <https://pinal.arizonataxsale.com/> within twenty four hours of the close of the Online Tax Lien Sale.

**If the successful bidder fails to pay for certificates purchased for any reason, the deposit (where applicable) shall be forfeited, all bids will be cancelled and future bidding privileges may be revoked.**

When payment is received and processed you will be issued a receipt for your purchase reflecting the registered tax lien(s) parcel number, the certificate number and dollar amount paid as well as the interest rate bid upon.

## **III. KNOW WHAT YOU PURCHASE**

Bidders **MUST** do their own research or hire qualified professional advisors, to learn and understand what they are purchasing and what their rights and liabilities may be with regard to their purchases. **ALL SALES ARE FINAL.** Pinal County and the Pinal County Treasurer make no title or other warranties. Pinal County and the Pinal County Treasurer does not warrant title concerning disclosed or undisclosed title problems including any environmental problems.

## **Pinal County Tax Sale**

Bidders should understand that on certain parcels, in addition to the ad valorem taxes offered for a tax lien sale, there may be special district assessments due which will have to be paid current and each subsequent year until paid in full. These parcels may also have city assessments as well as irrigation assessments, unknown to the Treasurer.

The investor is only purchasing the tax lien certificate and therefore has no claim to the property until the lien is foreclosed upon, and a Judgment deed is issued.

If the parcel on which you are bidding has an older certificate already upon it, you will be sold only the unpurchased certificates currently available for sale.

### **IV. BIDDER REGISTRATION**

To become an eligible bidder, you must register online at <https://pinal.arizonataxsale.com/> at least one day prior to the Online Tax Lien Sale. A bidder number will be assigned once you create your own user name and password. Registrants utilizing an ITIN, IRS Form W-8 or any other Non-US registration type will not be accepted.

### **PLEASE READ THIS BEFORE FILLING OUT YOUR BIDDER INFORMATION FORM!**

We have been advised by the Internal Revenue Service that:

Section 3406 of the Internal Revenue Code **requires** that we withhold 28% in tax, called backup withholding, when you do not give us your **correct** Taxpayer Identification Number (TIN). Further, you may be subject to a \$50 penalty by the IRS under section 6721 of the Internal Revenue Code for failing to provide us with your **correct** TIN.

For individuals, the TIN is your Social Security Number (SSN). Very often a SSN is incorrect because of a name change due to marriage, divorce, adoption, or some other reason that has not been communicated to the Social Security Administration (SSA) and recorded on its records. Alternatively, the account may not contain the correct SSN of the actual owner. For example, an account of a child's name may contain a parent's SSN. An account should be titled in the name of the actual owner of the account with that person's SSN. For most non-individuals (such as trusts, estates, partnerships, and similar entities), the TIN is the Employer Identification Number (EIN). 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 and name rather than the SSN of a member. (The account of a sole proprietor who may have both an EIN and an SSN should reflect the individual name of the sole proprietor and his or her SSN).

Please make sure the TIN you write on the Bidder Information form match the name shown on your social security card or Employer Identification form.

## **Pinal County Tax Sale**

**In addition**, Pinal 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 Pinal County Tax Lien Sale.

**“Bidding Entity”** is defined as an individual, corporation, partnership, joint venture, limited liability company, association, cooperative, joint venture, estate, trust or any other type of individual, commercial entity, group or combination thereof whether for-profit or not-for-profit, foreign or domestic.

**“Contractual, Legal or Financial Relationship”** is defined as two or more bidding entities as defined in this rule, including but not limited to shareholders, principals, directors, employees, general or limited partners, personal or legal representatives, executors or other individual or commercial entities that have a joint or common economic interest.

For purpose of this rule, it is considered prima facie evidence that a contractual, legal, financial relationship exists when two or more bidding entities have any of the following characteristics:

- a. share Taxpayer Identification Number (TIN)
- b. file a single tax return, jointly or as a dependent
- c. share common employees
- d. own any assets in common
- e. display non-competitive bidding behavior
- f. share a common pool of capital
- g. employ any bidding or registration strategy meant to gain an advantage when determining the winner among tie bids.

The items above are regardless of the entity’s jurisdiction and include, but are not limited to, corporate directors and employees, disregarded entities, partners, lienholders, representatives, trusts, executors, IRAs, and spouses.

The determination of whether the Single Simultaneous Bidding Entity rule has been violated is at the sole and exclusive discretion of the Pinal County Treasurer and/or his designee. If a violation is determined before certificates have been awarded, the offending bidding entities may be prohibited from participating in the tax sale. If a violation is determined after certificates have been awarded, all bids of the offending bidding entities may be canceled and any certificate(s) awarded will be forfeited and resold. In addition, at the Treasurer’s discretion, the offending bidding entities may be banned from participating in future Pinal County Tax Certificate Sales.

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 certificate sale has concluded or adjourned.

## **Pinal County Tax Sale**

Disputes as a result of rulings in the Pinal County Tax Certificate Sale under the Single Simultaneous Bidding Entity rule shall have exclusive venue and jurisdiction in Pinal County, Arizona.

### **V. THE FORECLOSURE PROCESS**

In order for you to obtain a deed on the parcel purchased by a tax lien, you must obtain a judicial foreclosure of the tax lien. The action to foreclose the right to redeem shall be filed in the superior court in the county in which the real property is located. (ARS 42-18201/18204). The Pinal County Treasurer's Office does not provide legal advice on Foreclosing procedures. Bidders are advised to seek legal counsel prior to foreclosing.

### **VI. REDEMPTION OF A TAX LIEN CERTIFICATE**

Any time during the period you are holding the tax lien certificate, it is subject to redemption by the property owner, his agent, assignee, attorney, a person that wants to pay on behalf of the owner by making a charitable gift or by any person having a legal or equitable claim therein, including a purchaser of a certificate of a different date (ARS 42-18151/18153).

Should the tax lien certificate be redeemed any time prior to deeding, you will receive the purchase amount, less non-refundable fees, plus the rate of interest bid at the time of the sale, not to exceed 16%. Certificates purchased at the tax lien sale will begin to accrue interest on March 1 and each month thereafter until redeemed (ARS 42-18153).

### **VII. TREASURER CONTACT INFORMATION**

For information regarding the tax lien sale, the Treasurer's office may be reached in the following manner:

Telephone:	520- 866-6425	888-431-1311	Fax: 520-866-6450
E-Mail:	<a href="mailto:treasurer@pinal.gov">treasurer@pinal.gov</a>		
Website:	<a href="https://treasurer.pinal.gov/">https://treasurer.pinal.gov/</a>		
Mailing Address:	Pinal County Treasurer P.O. Box 729 Florence, AZ 85132		

Successful Bidders may view their portfolio information by logging into <https://treasurer.pinal.gov/ParcelInquiry/Main/BidderLogin>



## Pinal County Tax Sale

### VIII. REFUND POLICY

All tax lien certificates purchased are done so with the full knowledge that there could be outstanding legal reasons, unknown by the Treasurer at the time of the sale or occurring after the sale that would make the lien unenforceable. A refund of the amount paid less the nonrefundable fees will be given only if required by A.R.S. § 42-18125.

Bidders are hereby advised to research the parcel for which a tax lien is offered. The certificate being offered may include delinquent taxes for prior years, have unredeemed certificates and/or include taxes on a parcel that was split/combined/remapped that is tied to the parcel being offered. These parcels are identified with an asterisk (\*) to denote prior tax liens and with an (S) to denote splits next to the item number on the website and in the newspaper advertisement. Please remember that **ALL SALES ARE FINAL. A refund will not be granted once the sale is completed.**

### IX. IMPORTANT BANKRUPTCY INFORMATION

The parcels identified by a “B” in the tax sale list and on the website are protected by the automatic bankruptcy stay and are automatically withdrawn from the sale.

If the Treasurer is notified of a bankruptcy after the tax lien has been sold, the purchaser will be notified by the Treasurer, therefore, it is important that the treasurer is notified of any change of address by a purchaser. The Treasurer will also advise the bankruptcy court that you are the real party of interest. Your claim interest will be filed in conjunction with the Pinal County Proof of Claim and the bidder will be notified.

The Pinal County Treasurer is offering a tax lien on the parcel, not the property itself. A sale of tax liens on parcels in bankruptcy unknown to the Treasurer is **not** in violation of the general stay. In no event will this be considered an illegal sale and the Treasurer is not obligated to repurchase the certificate.

In the event of bankruptcy proceedings subsequent to the sale of the lien, there is no guarantee that the purchaser of the tax lien will receive the anticipated interest or any interest whatsoever. The United States Bankruptcy Court will determine the interest a purchaser will receive on a tax lien subject to the bankruptcy.

You will be responsible to participate in the bankruptcy proceeding to protect your interest. The treasurer will have no responsibility or liability concerning the property or repayment to you. It will be your responsibility to notify the treasurer of any final decision concerning the property.

## **Pinal County Tax Sale**

### **X. SUBSEQUENT TAXES**

Following the purchase of a tax lien certificate, you may pay the subsequent taxes annually until redeemed. The subsequent taxes are payable after June 1st of each year until December 31st. Payments will not be accepted after this deadline to comply with the compilation of the delinquent tax list ARS 42-18106 and assessment of additional penalties ARS 42-18107. Payments should be submitted via check, wire or ACH and clearly marked as Sub-Tax payments and include the Bidder number.

Any person paying subsequent taxes, accrued interest and related fees then due upon the real property for which he/she holds a certificate of purchase, shall be given a treasurer receipt for the subsequent taxes paid. The amount paid will be electronically added to the face value of the registered certificate and endorsed by the treasurer as required by law. (ARS 42-18121)

The sale of a subsequent tax year certificates will not affect the certificate number issued or rate of interest bid on the original tax lien. The certificates will remain intact until redeemed.

**If subsequent taxes are not paid** for the certificate you purchased at a previous sale(s), a new certificate will be offered at the next tax sale. The new buyer will **not** be required to redeem your certificate. Consequently, it is possible there may be multiple lien holders on a parcel. The lien holder that obtained the oldest certificate will be in the first position to file an action to foreclose and if successful, will be required then to redeem the subsequent certificates as well.

The county treasurer shall collect a fee of five dollars (\$5.00) from the holder of the certificate (ARS 42-18121) for processing a subsequent tax payment.

If a tax lien that was purchased after August 22, 2002 is not redeemed and the purchaser or the purchaser's heirs or assigns fail to commence an action to foreclose the right of redemption on or before ten (10) years from the date that the lien was purchased, the registered certificate and all subsequent taxes expire and the lien is VOID (ARS 42-18127).

### **XI. STATE DEED SALE**

The Pinal County Board of Supervisors conducts a sale of parcels of land that have been deeded to the State of Arizona pursuant to A.R.S. § 42-18302 Article 7. These parcels are sold outside of the Tax Lien Sale process.

For more information concerning these parcels, please contact, Special Services at [specialservices.sharedmailbox@pinal.gov](mailto:specialservices.sharedmailbox@pinal.gov). (by phone (520) 866-6470 or by mail at P.O. Box 729 Florence, AZ 85132)

**XII. FEE SCHEDULE**

A non-refundable processing fee of \$10.00 will be added to each parcel offered in the tax lien sale. ARS 11-495 & 42-18116(c)

A Certificate of Purchase or registration fee of \$10.00 is added to each parcel offered in the tax lien sale. ARS 42-18118(d)

An administrative tax lien auction fee of \$10.00 is added to each parcel offered in the tax lien sale.

Subsequent tax fee of \$5.00 ARS 42-18121(b)

Resale or Assignment of tax lien fee of \$10.00 ARS 42-18122(b)

Court ordered deed fee of \$50.00 per parcel. ARS 42-18205