

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL
OFFICER OFFICE OF TAX AND REVENUE
(OTR)



OTR TAX NOTICE 2022-09

**Real Property Owner's Guide to the
Tax Sale Redemption Process**

***THIS NOTICE REPLACES AND SUPERSEDES
OTR TAX NOTICES 2008-03, 2012-04 and 2013-02.***

If your property has been sold at tax sale because you owed delinquent real property taxes, business improvement district taxes or certified taxes, assessments or fees owed to a District of Columbia agency, you can pay the delinquencies and redeem your property by following the instructions in this brochure.

Redeeming your property means paying all amounts necessary to prevent foreclosure of your property and losing ownership.

Although it is to your benefit to redeem your property as quickly as possible, you may do so at any time – from right after the tax sale until a Superior Court judge enters a final order to foreclose or end your right of redemption.

What Must I Pay to Redeem My Property from Tax Sale?

What must the property owner pay after the Tax Sale but before the title search within four (4) months after the Tax Sale?

- 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.
- Pay all delinquent special assessments owed pursuant to an energy efficient loan agreement under subchapter IX of Chapter 8 of Title 47.

What must the property owner pay after the four (4) months period from the Tax Sale but before the foreclosure action?

- 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;
- Amount of \$50 for posting the post-tax sale notice required by §47-1353.01;
- Costs for recording the certificate of sale, \$31.50;
- Cost of a title search, not to exceed \$300; and,
- All delinquent special assessments owed pursuant to an energy efficient loan agreement under subchapter IX of Chapter 8 of Title 47.

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

- 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;

- Amount of \$50 for posting the post-tax sale notice required by §47-1353.01;
- Costs for recording the certificate of sale, \$31.50;
- Cost of a title search, not to exceed \$300;
- 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:
 - In a case in which the property is redeemed before the fifth status hearing, reasonable attorneys' fees not to exceed \$1,500;
 - 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
 - In a case in which a motion for judgment is filed with the court, additional attorneys' fees in the amount of \$300.
 - 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;
 - 1. Service of process fee, including fees incurred attempting to serve process;
 - 2. 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;
 - 3. Publication fee charged by a newspaper of general circulation in the District;
 - 4. Posting fees;
 - 5. Postage and certified mail costs;
 - 6. Substantial repair order fee, not to exceed the fee charged the government agency issuing the certificate of substantial repair; and
 - 7. 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.
- Pay all delinquent special assessments owed pursuant to an energy efficiency loan agreement under subchapter IX of Chapter 8 of Title 47.
- 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 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.

Where Do I Find Out What Outstanding Taxes Are Due Against My Property, and How Do I Get a Bill to Pay Them?

For informational purposes, the OTR Web site lists the delinquent real property tax and any certified liability from another DC agency or DC Water under the tab "Real Property Tax/Pilot Fee," and if applicable business improvement district taxes and vault/public space rental charges under their separate tabs. The Web site is www.mytax.dc.gov – click on "Real Property", then click on "Make a Real Property Payment," enter Property Information. Please note that the \$331.50 expense amount becomes owed four months after the tax sale and will not appear on a tax bill issued before such time; you must be certain to get the latest issued tax bill and current amount due at OTR's website at www.mytax.dc.gov if you redeem after 4 months from the tax sale.

You may get a current real property tax bill from OTR's Customer Service Walk-in Center. You may also call OTR's Customer Service at (202) 727-4TAX (4829) and ask that a real property tax bill be mailed to you. The bill will include expenses generally limited to \$331.50 if you are redeeming after 4 months from the tax sale. However, other expenses may be owed to the tax sale buyer, including a reasonable attorney's fee and additional costs, and these must also be paid to redeem. These expenses typically do not appear on the real property tax bill but are generally collected by the tax sale buyer's attorney – these expenses may only become owed after 6 months from the tax sale.

You must ask for *the most current* real property tax bill to get the proper tax balance with interest calculation for redemption purposes. Be sure to tell the Customer Service representative that you want to redeem your property from tax sale, and need the most current real property tax bill.

You must also pay any business improvement district tax and vault/public space rental charges, if applicable, regardless of whether such liabilities were certified. These liabilities may not appear on the real property tax bill. The Customer Service representative will inform you whether such liabilities are owed.

To ensure you pay the most current amount owed for business improvement district taxes, please visit the D.C. Business Improvement District Council website at <http://www.dcbidcouncil.org/> to locate the appropriate business improvement district in which your real property lies and contact it.

With respect to the most current vault/public space rental charges, please contact an OTR representative at: (202) 442-8641. This representative can provide you with the most current amounts owed by the real property.

How Do I Pay the Real Property Tax Bill?

A property tax bill can be paid in person at our cashier's office, online, and by mail. **Pay Online** Make a secure ACH or Credit Card payment through the www.MyTax.DC.gov online portal:

From the *MyTax.DC.gov* homepage, click on the "Make a Real Property Payment" link and enter the Square, Suffix, Lot number, or Street Address.
Select the desired payment method (ACH or Credit Card).
Select the tax account for which you would like to make a payment.
Enter the appropriate information and submit the payment.
Retain the confirmation number for your records.

Pay by Check

Make your check payable to the "DC Treasurer."
To ensure your payment is recorded accurately, you must write your Square, Suffix, Lot (SSL) number on your check or money order.
If you are submitting payments for more than one property, you **must** include separate checks for each payment voucher.
Mail your check to:
Office of Tax and Revenue, P.O. Box

98095, Washington, DC 20090-8095.

Payments postmarked on or before the due date will be considered timely.

Please note: OTR accepts MasterCard, Visa, American Express, and Discover cards for credit card payments. There is a 2.5 percent non-refundable convenience fee, charged by the processor, when making a credit card payment. The convenience fee does not apply to ACH payments. Also, the credit card payment amount is not to exceed \$100,000.00 (inclusive of the 2.5 percent non-refundable convenience fee) per transaction and is limited to a maximum of two (2) transactions per month.

How Do I Pay the Business Improvement District Taxes or Vault/Public Space Rental Charges Due against My Real Property?

If applicable, you must pay any business improvement district taxes or vault/public space rental charges due against your real property by certified check, cashier's check or money order. Before you pay, make a copy of the certified check, cashier's check or money order to keep for your records.

If you have any questions regarding business improvement district taxes, please visit the D.C. Business Improvement District Council Web site to locate the specific business improvement district in which your real property lies. The DC Business Improvement District Council Web site is: <http://www.dcbidcouncil.org/>.

For questions related to vault/public space rental charges, an OTR representative may be reached at (202) 442-8641.

Do I Need to Pay the Other Taxes, Assessments, Fees and Costs Due Against My Real Property to Redeem that Appear on the Web site?

Other taxes (real property taxes, BID taxes and vault rents excepted), assessments, fees and costs, which are not certified, but which appear on the Web site, do not need to be paid to redeem your property from tax sale. Regardless of whether certified or not, delinquent real property taxes, BID taxes and vault rents must be paid to redeem. If you have questions about whether a particular liability has been certified by other District agencies or DC Water, please contact OTR Customer Service at (202) 727-4TAX (4829) and a Customer Service representative will assist you.

What Happens After a Buyer Files a Foreclosure Complaint in Superior Court?

The tax sale buyer may start a foreclosure action 6 months from the date of the tax sale. This may happen as early as January following the tax sale if the tax sale occurred during the preceding July.

After the buyer files a foreclosure action, you will be served with a Complaint, a Summons and an Initial Order.

If you redeem your property after the buyer files the Complaint, you must pay to OTR the current real property tax bill, which may include, *inter alia*, real property taxes, certified liabilities from other DC agencies and DC Water, and certain tax sale buyer expenses generally limited to \$331.50 (if other remaining expenses are billed separately). If applicable, you must also pay business improvement district taxes and vault/public space rental charges.

Moreover, you must pay the tax sale buyer's expenses, including attorney's fees and costs (foreclosure action filing fee, service of process, publication, mailing, etc.) as stated hereinabove.

How Do I Get a Bill for the Expenses Incurred by the Tax Sale Buyer in a Foreclosure Action?

You may contact the tax sale buyer's attorney or the buyer himself if he has no attorney. The appropriate name and contact information will be on the Complaint and Summons.

Expenses of the Tax Sale Buyer

If you have not gotten a Complaint, Summons, and Initial Order, and you do not know if you have to pay expenses to the tax sale buyer, tell OTR that you are trying to redeem the property from tax sale and that you need a pay-off statement for a tax sale buyer's expenses incurred for each tax sale. OTR will request a pay-off statement from the tax sale buyer(s) and forward any statements it gets to you.

If you have questions about the expenses pay-off statement, you must direct them to the tax sale buyer or his/her attorney, at the telephone number on the statement.

How Do I Resolve the Superior Court Action?

After you have taken all steps to redeem your property, you must ensure that all issues about the foreclosure action have been resolved and the foreclosure action has been dismissed.

- You may consult an attorney.

Superior Courts list of legal service providers: <https://www.dccourts.gov/sites/default/files/Quick-Reference-Consortium-Organizations.pdf>

How Do I get an Official Record that My Property Was Redeemed from Tax Sale?

A Certificate of Redemption gives official notice that the property has been redeemed. Although it is not required, it is advisable to get one.

To obtain a Certificate of Redemption, please submit a request to OTR via www.Mytax.dc.gov Search under your **property address**, select **Application and Actions**, then select **send a message to the agency**.

The Certificate of Redemption cannot be processed until:

1. The real property tax payments for all outstanding, current and certified taxes have posted to the real property tax account;
2. If applicable, business improvement district taxes and vault/public space rental charges have been paid and OTR has been provided with releases; and
3. If applicable, all tax sale buyers have given releases for their expenses for which they are entitled to be reimbursed. If not applicable, please so state. A foreclosure lawsuit can only be filed against you beginning 6 months after the tax sale; thus, for a tax sale in July, the lawsuit could not be filed until the following January at the earliest. If you are redeeming before such January, there are no expenses and thus no releases are necessary. *

** Note that a release of expenses (including the attorney's fee) will only be required if a foreclosure action has been filed against you. If you were served with a Complaint, a Summons and an Initial Order, a foreclosure action has been filed against you. If you are unsure whether a foreclosure action has been filed against you, please check the D.C. Superior Court records.*

After OTR reviews these documents, it will issue a Certificate of Redemption. You may record the Certificate of Redemption with the Recorder of Deeds for the usual recording fee to give public notice that the property has been redeemed from tax sale.