

Tax Collector's Deed Overview 2022



Tax Deed:

RSA80:76

The collector, **after 2 years** from the execution of the real estate tax lien, **shall execute** to the lienholder (municipality) a **deed** of the land subject to the real estate tax lien and not redeemed. (RSA 80:76 I)

2

Set the Deed Date



- Be sure it coincides with the governing body's meeting date.
- Run reports listing all properties eligible for deed.
- Send list to search company; identify mortgagees.
- Best practice to meet with the governing body well in advance of the deed date with pertinent information regarding each property.

3

City or Town of _____ **LIEN/DEED TRACKING**
 Use this form to track date(s) of OHE year at a time
 LEVY YEAR _____
 Month/Day/Year _____

LEVY YEAR	Month/Day/Year
Last Bill Due Date	
Delinquency Notices Deadline - by first class mail (2nd Tax Bill due date plus 90 days minimum)	
Impending Lien Notice to Owners - by certified mail at least 30 days before Lien Execution	
Lien Execution Date	
Deadline for Mortgage Notices (Lien Date Plus 60 days)	
Deeding Date FOR THIS LEVY (minimum of two years from lien execution date)	
Deeding List to Researcher (if outsourced) at least 90 days before deeding date (60 days before notice mailing date)	
Impending Deed notice mailing date VERY IMPORTANT - by certified mail at least 30 days before Deeding Date	

Notes: _____

4

Administrative Checklist For Tax Deeding

Tax Deed Folder



Each deeded property should have a deed folder with copies of the following documents.

- Current Assessing Card
- Total amount of taxes and cost due before the deed is issued
- Tax Bills
- Notice of Tax Delinquencies and unredeemed Tax Liens
- Certified impending tax lien notice, with copy of certified receipt
- Impending Deed Notice, with Certified Receipt
- Mortgage Search for Impending Lien and Deed
- Recorded Tax Collectors Deed
- Any Certified Letters Sent
- Other Correspondence with property owner

5

Notice to Current Owner & Mortgagee

RSA 80:77, 80:77 a

At least 30 days prior to executing the deed:

- The Tax Collector shall notify the **current owner** of the property or his/her representative or executor by **certified mail with return receipt** requested of the intent to deed.
- Tax Collector shall notify each mortgagee whose mortgage was recorded in the office of the register of deeds at least 30 days prior to the mailing of the notice by **certified mail**, return receipt requested.



6

Notices shall, at the minimum, contain:

- Name of the delinquent taxpayer(s).
- Description of the property subject to the tax lien.
- Amount of the tax lien and the amount of tax collector's fee and expenses necessary for redemption.
- Issue date of the tax lien deed.
- Expiration date of the right of redemption.
- Warning that the legal interest of the taxpayer and each mortgagee will be extinguished by the tax lien deed.



7



Current Owners Notice Fees

Impending Tax Deed to Current Owner Fees include:

- Collector's Fee
- Cost to send certified mail, return receipt requested
- Cost of printed notice

8

Mortgagee Notice Fees

Impending tax deed to mortgagees fees include:

- Identify Mortgagee(s) (directed by governing body)*
For each identified mortgagee the following:
- Collector's Fee
- Cost to send certified mail, return receipt requested
- Cost of printing notice

Add fees to amount owed prior to noticing!

NOTE: Fees subject to adjustment if postage rates change. Please reference the NHTCA website: <http://nhtaxcollectors.org> under "What's New" for a current list of fees.

*Or reimbursement of full cost of search service.

9

Real Estate Subject to IRS Tax Liens

26U.S.C. 7425

Although property tax liens can take priority over federal tax liens *(26 U.S.C. 6323 (b)(6))*, a tax deceded property will be subject to the lien *(26 U.S.C. 7425 (a)(1))*, unless appropriate notice is provided to the IRS.



10

IMPORTANT NOTICE!

IRS notice requirements:

- Must be sent at least **25 days** before the date of deeding
- Be sent registered or certified mail
- Include municipality name and address
- Include a copy of the IRS lien
- Provide a detailed description of the property to be deeded
- The date, time and place of the "sale" (notice of impending deeding should suffice)
- The amount of the obligation due from the taxpayer
- Even if notice is given, the IRS has a "**redemption right**" for **120 days** after the deeding to claim the property by paying the purchase amount paid and taking title

11



Mailing information

Advisory Consolidated Receipts

7940 Kentucky Drive
Stop 2850F
Florence, KY 41042



Questions:

Contact Advisory Group Manager
(401) 528-1903

**updated May 2020

12

Mortgagee Search Tools

- **Persons:** <https://www.truepeoplesearch.com>
- **National Information center:** <https://www.ffiec.gov/nicpubweb/nicweb/nichome.aspx>
- **FDIC:** <https://www.fdic.gov/>
- **NH Banking Division:** <https://www.nh.gov/banking/>
- **Wikipedia:** https://en.wikipedia.org/wiki/List_of_bank_mergers_in_the_United_States



13

Partial Payments in Redemption



- If complete redemption is not made before a deed is executed, the collector of taxes **shall** direct the governing body **within 10 days** to issue an order upon the town treasurer to **refund** to the person making such partial payments or his heirs or assigns the **sum so paid**.
- If the order is **not issued within 30 days**, the sum to be refunded shall draw 6% interest per annum.

RSA 80:71

14

When Not To Deed

RSA 80:76 II, II-a, III



The **governing body** of the municipality has notified the collector **by deed waiver** that it shall not accept the deed because:

- acceptance would subject the municipality to potential liability due to environmental impairment of the real estate involved.
- acceptance and ownership of the real estate would subject the municipality to obligations under real estate covenants; obligations to tenants, or for any other reason that would be contrary to the public interest.

Such a decision **shall not be made solely for the benefit of a taxpayer.**

15

Impact of COVID-19

- "C19" returned receipt
 - USPS has implemented temporary, modified signature service procedures. "While maintaining a safe, appropriate distance, employees will request the customer's first initial and last name."
 - For increased safety, employees will ask the customer to step back a safe distance or close the screen door/door so that they may leave the item in the mail receptacle or appropriate location by the customer door.
 - If there is no response, employees will follow the normal Notice Left process."
 - *Source: USPS.com
- Federal stay on evictions
 - The CDC's eviction moratorium ended on August 26, 2021
 - *Source: <https://www.courts.state.nh.us/>



When a governing body has served notice upon the collector it shall not accept the deed, the tax lien shall remain in effect indefinitely, retaining its priority over other liens. The taxpayer's right of redemption shall likewise be extended indefinitely, with interest continuing to accrue.



17

Tax Deed

RSA 80:76 III

- If, at any time, in the judgment of the municipal governing body the reasons for refusing the tax deed no longer apply and the tax lien has not been satisfied, the governing body may instruct the collector to issue the tax deed, and the collector shall do so after giving the notices required by RSA 80:77 and 80:77-a.
- The tax lien may be enforced by the municipality by suit (RSA 80:50) and through any remedy provided by law for the enforcement of other types of liens and attachments.

18


