

SHELBY COUNTY LAND BANK DELINQUENT TAX PROPERTY SALES PROCEDURE

- A. No Delinquent Tax Property will be made available for sale to current County employees, elected County Officials or their immediate family members (i.e. spouse or children living at home).
- B. No Landlocked Delinquent Tax Property will be made available for sale to a prospective Purchaser unless that prospective Purchaser owns adjoining property with public roadway access or has made tentative, written arrangements with an adjoining property owner to establish public roadway access to the property.
- C. No Delinquent Tax Property will be made available for sale to any prospective Purchaser who is **NOT** current in the payment of property taxes due on his/her properties owned in Shelby County, per Resolution approved by the Shelby County Board of Commissioners on January 12, 2011 under Item No. 6. If the prospective Purchaser is **NOT** current in payment of property taxes on his/her properties owned in Shelby County, the prospective Purchaser will be required to bring the payment of these property taxes current with the Shelby County Trustee’s office or work out a payment plan acceptable to the Shelby County Trustee’s office, within **ten (10) working days** of SCLB staff notification by telephone, no further notice will be given, written or otherwise (**working days are based on Shelby County Government’s regular work schedule**). Proof of payment or payment plan signed by the Shelby County Trustee or a representative of his office, shall be submitted to SCLB staff within said ten (10) days. If the prospective Purchaser is unable to bring the payment of these property taxes current within said ten (10) day period and has **NOT** worked out a payment plan acceptable to the Shelby County Trustee’s office, the property will be placed immediately back in SCLB’s “For Sale” inventory, and his/her previously submitted funds for the good faith deposit and advertising, notification and processing fee shall be forfeited and applied to the prospective Purchaser’s past due property taxes. If additional offers have been submitted, any prospective Purchaser, who is **NOT** current in payment of property taxes on his/her properties owned in Shelby County and has **NOT** worked out a payment plan acceptable to the Shelby County Trustee’s office, will **NOT** be allowed to participate in a scheduled “**Bid Off**”.
- D. All Delinquent Tax Property shall be sold by Shelby County Government to the successful bidder in its “AS IS-WHERE IS” condition, without representations or warranties of any kind, either expressed or implied as to the title, physical or environmental condition, code and/or housing violations, merchantability, or fitness for any use or purpose or any other representation of any kind whatsoever.
- E. Once the proposed purchase price is agreed upon and the prospective Purchaser has completed his/her due diligence requirements*, the prospective **Purchaser makes an appointment** to meet with SCLB staff and formally initiate the Sale Process. During this scheduled meeting, the prospective Purchaser must sign an “**Offer to Purchase**” (See “**Offer to Purchase**” Agreement attached hereto and made a part hereof), along with other required “**Disclosure Documents**”**; and submit payment of the required good faith deposit*** together with a \$ 200.00 advertising, notification and processing fee via Certified Funds, Cashier’s Check or Money Orders made payable to “**Shelby County Trustee**” (personal checks and/or cash **NOT** accepted). The above described good faith deposit and advertising, notification and processing fee shall be nonrefundable, once the prospective Purchaser is declared the successful bidder.
- F. Upon the prospective Purchaser’s signing of the “**Offer to Purchase**” and the other required “**Disclosure Documents**”, his/her payment of the required good faith deposit and \$ 200.00 advertising, notification and processing fee will be forwarded to the Shelby County Trustee’s Office for immediate deposit.
- G. In conjunction with the signing of the “**Offer to Purchase**” and the other required “**Disclosure Documents**”, the prospective Purchaser and SCLB staffer will set a specific date and time for a “**Bid Off**”, should one be necessary. The prospective Purchaser’s offer to purchase will shortly thereafter be advertised for one (1) day in the “**Daily News**” or for one publication in the “**Tri-State Defender**” identifying the property, disclosing the name of the prospective Purchaser, the price offered and the “**Bid Off**” date and time, as well as soliciting therein the submittal of additional purchase offers equal to or greater than 10% of the prospective Purchaser’s offer within **ten (10) working days** of the initial publication date of the Ad (**working days are**

based on Shelby County Government’s regular work schedule). No additional offers will be accepted after this ten (10) working day period has expired.

- H.** If additional purchase offers are received during the above said ten (10) working day period, a “**Bid Off**” will be held shortly thereafter on the date and time specified in the “**Daily News**” or “**Tri-State Defender**” advertisement at the Shelby County Land Bank office to determine the highest and best offer to purchase the subject property (See “**Bid Off**” Procedure attached hereto and made a part hereof). A grace period of up to 15 minutes is permissible to allow for unforeseen circumstances of any bidder. Any bidder who is not available by the end of this grace period shall be disqualified from the “**Bid Off**”. Upon receipt of the first additional purchase offer, SCLB Staff will notify the prospective Purchaser, who submitted the initial purchase offer, by telephone that the “**Bid Off**” will be necessary and no written notice of the same will be given. At the conclusion of the “**Bid Off**”, the prospective Purchaser, who bids the highest purchase price, will be declared the successful bidder and his/her previously signed “**Offer to Purchase**” will be adjusted to reflect the high bid purchase price and new required good faith deposit***. Within forty-eight (48) hours of the “**Bid Off**” the successful bidder must submit the additional funds to establish the new required good faith deposit via Certified Funds, Cashier’s Check or Money Orders made payable to “**Shelby County Trustee**” (personal checks and/or cash **NOT** accepted). Should the successful bidder fail to submit the additional funds necessary to establish the new required good faith deposit within said forty-eight (48) hour period, his/her initially submitted deposit and advertising, notification and processing fee shall be forfeited; and said successful bidder shall be declared ineligible to participate in any Shelby County Land Bank property sales for twelve (12) months from the date of said forfeiture. In this situation, SCLB Staff will contact the second highest bidder by telephone and offer the property to the second highest bidder for the second highest bid purchase price. Upon receipt of the required additional funds, such additional funds will be forwarded to the Shelby County Trustee’s Office for immediate deposit. Following the “**Bid Off**”, SCLB Staff will notify the Shelby County Trustee’s Office of the “**Bid Off**” results and request it to promptly refund the required good faith deposit and \$200.00 advertising, notification and processing fee previously submitted by the unsuccessful bidders.
- I.** If no additional purchase offers are received during the above said ten (10) working day period, SCLB Staff will contact the prospective Purchaser, who submitted the initial purchase offer, by telephone to advise this prospective Purchaser that he/she has been declared the successful bidder, and no written notice of the same will be given.
- J.** Once a prospective Purchaser is declared the successful bidder, the “**Offer to Purchase**”, along with the other required “**Disclosure Documents**”, are signed, and the good faith deposit and advertising, notification and processing fee are submitted, SCLB Staff will prepare, schedule and present a **Resolution** to the County Commission for approval of the sale and request the Trustee’s Office to prepare a **Quit Claim Deed** for use in transferring the subject property to the successful bidder.
- K.** The successful bidder may be required to attend a Shelby County Board of Commissioners Committee Meeting and/or a full Commission Meeting to answer questions concerning the successful bidder’s proposed use and development of the subject property. In this case, SCLB Staff will contact the successful bidder by telephone to give him/her advance notice of the meeting(s) that must be attended. In the event this successful bidder is unable to attend the scheduled meeting(s), approval of the sale will be deferred until such time as the successful bidder is able to attend a subsequent meeting or meetings.
- L.** Upon the County Commission’s approval of the sale, SCLB Staff will notify the successful bidder by telephone of the sale approval, confirming the County’s acceptance of his/her Offer to Purchase, and advising the successful bidder that he/she must now close the purchase within **thirty (30) calendar days** of the mailing date of SCLB Staff’s written notice to the successful bidder by U.S. mail confirming the County’s acceptance of this Offer to Purchase, listing the required final payment amount due at closing, and citing the thirty (30) day closing deadline date. In the event the purchase of the subject property is not closed within said **thirty (30) calendar days**, SCLB Staff will declare the sale cancelled by giving the successful bidder written notice by U.S. mail and in such case the successful bidder shall forfeit his/her previously submitted good faith deposit and advertising, notification and processing fee as liquidated damages; and in which event,

the successful bidder shall be declared ineligible to participate in any Shelby County Land Bank property sales for twelve (12) months from the date of said Contract cancelation notice .

- M. Upon the County Mayor’s approval of the sale **Resolution**, the Trustee’s Office will route the **Quit Claim Deed** for execution by the County Mayor.
- N. The successful bidder shall **make an appointment** to meet with SCLB staff to close the purchase. At the closing, the successful bidder must submit the required final payment covering the balance of the purchase price, estimated transfer tax and recording fee via Certified Funds, Cashier’s Check or Money Orders made payable to **“Shelby County Trustee” (personal checks and/or cash NOT accepted)**. At the completion of the closing, the successful bidder is given possession of the subject property as its new owner.
- O. Upon completion of the closing of this property purchase, the successful bidder’s required final payment covering the balance of the purchase price, estimated transfer tax and recording fee will be forwarded to the Shelby County Trustee’s Office for immediate deposit. At the same time, SCLB Staff will request the Shelby County Trustee’s Office to proceed with the closeout of the sale. Afterwards, the **Trustee’s Office will complete the execution of the Quit Claim Deed and have it recorded in the Shelby County Register’s Office and thereafter mail the “Original Recorded Quit Claim Deed” to the successful bidder who is now the new owner of the property.** This completes the County’s DELINQUENT TAX PROPERTY SALES PROCEDURE.

PURCHASER:

Purchaser’s Rep: _____

Date: _____, 20____

- * **Due Diligence Requirements:**
All prospective Purchasers of Delinquent Tax Property with improvements (house, duplex, apartment, condo, commercial building, etc.) MUST contact the City of Memphis, Office of Code Enforcement at (901 576-7448) to determine any rehabilitation requirements prior to meeting with SCLB staff to formally initiate the Sale Process and sign an “Offer to Purchase”.
 Initial here _____ to acknowledge that these Due Diligence Requirements have been completed.
- ** **Disclosure Documents:**
All prospective Purchasers of Delinquent Tax Property must sign a DTP Sales Disclosure Form, a Property Use and Responsibility Disclosure Form, and a Gratuity Disclosure Form at the time they sign an “Offer to Purchase” (See “Disclosure Documents” attached hereto and made a part hereof).
- *** **Good Faith Deposit Requirements:**
Property sales up to \$ 1,000.00 - Required Deposit is 100 % of “Offer to Purchase”.
Property sales from \$ 1,001.00 to \$10,000.00 - Required Deposit is \$ 1,000.00.
Property sales above \$ 10,000.00 - Required Deposit is 10 % of “Offer to Purchase”.