

# SALE OF REAL ESTATE FOR TAXES

## April 15, 2023

Connecticut General Statute 12-157

### **Tax Collector's Office Staff:**

**Cathleen U. Elliot, CCMC, Tax Collector**  
**Wendy James, Tax Clerk**  
**Sally VonEisengrein, Tax Clerk**

The Town of Windsor will conduct a tax sale of tax delinquent residential, commercial and other properties on Saturday, April 15, 2023, beginning at 10:00 a.m. EDT. **Registration for the sale will begin at 8:00 a.m EDT** and will take place in the Roger Ludlow Room, located in the Windsor Town Hall, 275 Broad St, Windsor, CT 06095, followed by the auction in the Town Council Chambers. The tax sale is a collection enforcement measure authorized by Connecticut General Statute 12-157. Additional information about the process, and specifics concerning the notices involved, may be obtained by consulting the statute directly.

**The Tax Collector and Town staff are not authorized to advise property owners, lienholders or potential bidders of their rights or obligations, or to pass judgment on the character or suitability of any property offered for tax sale. Property owners, lienholders, and potential bidders are advised to consult their own private attorneys. Research on properties offered for sale is the responsibility of the potential bidder.**

### ***Introduction / General Procedures***

The tax sale is a public auction conducted by the tax collector. A series of notices have been sent to the property owners and to anyone with a lien or other encumbrance on the subject property. A series of notices were also published in the newspapers, and filed in the land records of the Town. Each property is sold separately at the sale, to the highest bidder. The Town seeks to recover all taxes and other charges due, plus the cost of conducting the sale. Properties will be auctioned off by the Tax Collector for the amount of their delinquent taxes, interest, lien fees and associated costs. These are not properties that are owned by the Town. These are properties that are privately owned that have delinquent taxes due to the Town.

If there are no bids, the sale can be adjourned for a later date; lower bids can be accepted, or the Town can bid to acquire the property.

There will be a variety of tax delinquent properties up for auction. Properties may include single and multi-family residential properties, commercial and / or industrial properties, residential and/or commercial condominiums, and vacant land that may or may not be buildable. The list of properties included in the sale has CHANGED from the original listing, as properties have paid off their taxes to avoid the sale. Properties removed from the sale will be marked as paid on the boards of Town Hall on the day of the sale.

Funds collected at the sale are applied to clear the back taxes and release the tax liens. The collector will draw up a deed to each property in the name of the successful bidder. This deed will remain unrecorded for six months from the date of sale. During that six month period the property remains the owner's property – the bidder has no rights to the property during this time.

The owner or any lienholder or encumbrancer may redeem the property within the six month period by paying the amount of taxes that were due (the minimum bid) plus interest on the total bid (purchase price). If the property is not redeemed within the six month period, the new deed is recorded, and the successful bidder becomes the owner of the property at that time.

If redemption does not occur, and title passes, the new owner takes title to the property free of prior encumbrances, with the sole possible exception of Internal Revenue Service (IRS) liens. New owners take title subject to the possible redemption rights of the IRS.

**Additional information concerning this process may be found in section 12-157 of the Connecticut General Statutes. A copy of Connecticut General Statute 12-157, revised, is included here, as well as related statutes.**

#### WARNING:

Bidders and potential bidders are advised that tax sale properties are PRIVATE PROPERTY and that trespassing on private property IS A CRIME. There is no allowance for property inspections of tax sale property. You MAY NOT trespass on these private properties AT ANY TIME, either prior to, or after the sale, even if you are the successful bidder. The owners of these properties retain ALL of their rights to their property, and the peaceful enjoyment thereof, for a period of six months from the date of sale. YOU WILL BE SUBJECT TO ARREST AND PROSECUTION for breaking the law if you do not abide by this rule.

#### **Instructions for Bidders and Potential Bidders**

##### *A. Bidder Registration, Bidding Procedures and Restrictions*

These instructions will be available for everyone attending the tax sale, and brief summary of the procedures for the conduct of the sale will be explained. You will have an opportunity to ask brief, specific questions concerning the tax sale process at that time. However, please note that this is not a public hearing. Questions or comments not related to the conduct of the tax sale will not be entertained. Questions concerning policy, or reasons for inclusion or exclusion of particular properties, are not appropriate. Determination of the suitability, relevance or propriety of any questions or comments rests exclusively with the Tax Collector conducting the tax sale. Instructions will be provided in the English language and read in the English language.

**IF YOU WISH TO BID – You MUST pre-register between 8:00 a.m. and 9:00 a.m. on April 15, 2023.** Only registered bidders will be allowed to bid at the sale. The sale will begin promptly at 10 a.m. EDT, assuming that all interested bidders have pre-registered by that time. If the bidder registration process takes longer than one hour, the sale will begin after bidders have been registered.

First, you will obtain a bid number. **You will use the same number** for each property on which you intend to bid. At that time you will be asked to show ID and Town records will be checked to be sure you do not owe delinquent taxes. **If you do owe delinquent taxes, you will be excluded from bidding.** The Tax Collector has the discretion to exclude any potential bidder for cause, including unwillingness to acknowledge or conform to the rules of the sale.

After your taxes are checked, you will then proceed to the registration tables to indicate the property or properties on which you intend to bid. **You must register separately for each property on which you intend to bid.**

**In order to register to bid on a property, you must provide:**

- your name, address, email address, and daytime telephone number
- valid current personal identification (such as drivers' license)
- \$5,000 cash, bank cashier's check, money order, or certified bank check **payable to the Town of Windsor. If the check is not made payable to the Town of Windsor, it will not be accepted.** Deposit will be amount of minimum bid if less than \$5,000.00.

**A separate deposit is required for each property on which you intend to bid.**

All registered bidders will be given a copy of the rules of the sale. You will be required to sign an affidavit to acknowledge that you have received a copy of the rules of this tax sale, that you understand the rules of the tax sale, and that you agree to abide by all the rules of the tax sale.

You will not be allowed to register if you refuse to sign this affidavit, or if you appear unable to understand the rules of the sale. The final decision on who is eligible to bid rests with the Tax Collector.

Each property will be sold separately to the highest bidder on each individual property.

**You will not be recognized as a bidder on a property unless you have registered for that property prior to the sale.**

Bidding will advance in increments of a minimum of \$1,000.00 unless specified otherwise by the Tax Collector.

Properties are listed, and will be sold, in alphabetical order by owner's name.

Minimum bids will be announced by the Tax Collector's Office on April 3, 2023. They will be posted on the boards at Town Hall, on the Town's website, and listed on the Bid List.

Minimum bids include: all past due real estate taxes, interest and lien fees; attorneys' fees, marshal and constable fees, if any; all costs incurred by the Town in conducting the tax sale; and 2022 grand list estimated real estate taxes in full (due July 1, 2023).

No bids less than the minimum will be accepted. The Tax Collector, and the Town, reserve the right to reject any and all bids and to sell the property to the Town.

**Restriction: Current owners may not bid on their own property.**

**Restriction:** Lienholders may not bid on property in which they hold an interest. (Middletown Savings Bank v Bacharach, 1879; Goodrich v Kimberly, 1880). If you are a lienholder, and you fail to disclose this relevant fact, and you are ultimately declared the successful bidder, your bid money will be used to pay the taxes on the property, but TITLE WILL NOT PASS TO YOU.

If a successful bidder owns any interest in the property on which they bid, including any interest in any mortgage, lien or other encumbrance, title to the property may not pass to such bidder as a result of this sale. If it comes to the tax collector's attention that a successful bidder DOES own an interest in the property or in an encumbrance on the property, the tax collector reserves the right to cancel the sale, and return the overbid to the successful bidder without interest. The minimum bid will be RETAINED as a payment of the taxes that were due. What this means is, if you disregard our warning NOT to bid on property on which you hold an interest, and you are the successful bidder, your bid money will pay the back taxes on the property, but the current owner will still

be the owner, and your bid will be **void**. It is in your best interest NOT to bid to acquire property if you hold a mortgage, lien or other interest in it.

**Restriction:** Potential bidders who owe past due taxes or other charges to the Town of Windsor for any other property may not bid on tax sale property. If you owe past due taxes to the Town, you will be disqualified at the registration table. If you wish to bid, and you owe past due taxes, you must bring ALL your accounts up to date before the Town will accept your deposit and register you as a bidder. **We will not be able to process these types of payments on the day of sale.**

**Restriction:** If you have previously bid successfully on tax sale properties in Windsor, but subsequently refused to pay the amount of your bid or otherwise failed to consummate the sale, you will be excluded from bidding. The Tax Collector reserves the right to refuse to register you as a bidder based on your past history of not following the rules of a prior tax sale or sales.

**The Town reserves the right to require payment in the form of cash or bank check in order to clear you for bidder registration. The Town reserves the right to refuse to register any bidder if dealing with tax delinquent bidders impedes orderly bidder registration or subjects the sale to undue delay. This determination is at the sole discretion of the Tax Collector and staff.**

The Tax Collector reserves the right to adjourn the sale of any or all properties for any reason to a later date to be established by the Tax Collector.

### ***B. The Tax Sale Process***

The auction will begin as soon as all prospective bidders are registered, but not earlier than 10:00 a.m. EDT. We will begin by reading a brief summary of the rules of the sale. Properties will be offered in alphabetical order by the name of the record owner. Each property will be announced, and the opening bid will be given.

The opening bid will be the total owed to the Tax Collector on the day of the auction. You must bid the minimum amount due, or higher.

The bidder interested in the property will hold up his or her number card. It will then be recognized that there is a bid on the floor for that amount. If another bidder is interested in the same property, he or she can hold up their number card and state the higher amount he or she will bid. Bidding will continue until the highest amount is reached. The person who has bid the highest amount will be declared the successful bidder, after the property is offered as “going once, going twice, sold.”

Each property will be auctioned off in this manner. **When the successful bidder is determined at the end of bidding on each property, the bidder will be asked to return to the registration table to complete his or her paperwork. This will be done immediately after the successful bid, or at the end of the auction** if the bidder also intends to bid on other properties offered, in which case he or she will remain on the floor and continue bidding.

- If you are a successful (winning) bidder:

If you are the successful bidder, your \$5,000 deposit will be retained by the Town.

**Payment of the balance of the purchase (bid) price is due by 4:00 p.m. EDT on Friday, April 21, 2023. Payment of the balance must be in the form of certified bank check, bank cashier's check, or money order payable to the Town of Windsor.**

**If payment is not received by 4:00 p.m. EDT on Friday, April 21, 2023, the purchaser (bidder) forfeits his or her deposit and the right to purchase the property.** This means that if for any reason you do not consummate the sale by paying the balance due, **YOU WILL LOSE YOUR \$5,000 DEPOSIT. THERE WILL BE NO EXCEPTIONS MADE REGARDLESS OF THE REASON.** You will lose your deposit if you decide you do not want the property any longer. You will lose your deposit if you say you did not know what you were bidding on. You will lose your deposit if you say you did not understand the rules of the sale. You will lose your deposit if you for any reason do not want to participate; etc.

DO NOT BID ON A PROPERTY UNLESS YOU ARE SURE YOU KNOW WHAT YOU ARE DOING. DO NOT BID ON A PROPERTY UNLESS YOU KNOW WHAT YOU ARE BIDDING ON. UNDER ABSOLUTELY NO CIRCUMSTANCES WILL YOU GET YOUR MONEY BACK IF YOU LATER DECIDE YOU DON'T WANT TO PURCHASE THE PROPERTY.

**The Tax Collector makes no representation about the properties being sold. The Tax Collector and the Town of Windsor are not responsible for any errors in any records relating to the properties being sold.**

Deeds in the name of each successful bidder will be lodged in the office of the Windsor Town Clerk after full payment of the purchase price has been received. These deeds will remain unrecorded for a period of six months from the date of sale. During that six month period, the owner of the property retains full ownership. During that six month period, the owner and any lienholder, mortgagee, or record encumbrancer has the right to redeem the property by paying the amount of the bid plus 18% per annum (one and one half percent per month) interest.

One month's interest will accrue at the time the sale is consummated. That means that to redeem a property, the owner must pay the one month's interest on the purchase price even if the redemption occurs within 30 days of the sale, provided the successful bidder has consummated the sale by paying to the Town of Windsor the balance of his or her bid. If redemption should occur BEFORE the bidder has paid the balance due on his or her bid, one and one half percent interest is due on only the deposit amount.

If you are the successful bidder, your name, address, and daytime telephone number will be provided to the owner of the property and to each mortgagee, lienholder, and record encumbrancer of the property. Please note that this is public information and that the Tax Collector's Office is required by state statute to provide this information as described above. The Tax Collector is also required to publish notice of the results of the sale in the newspaper, including your name and the amount of your successful bid. However, the tax collector will not publish your telephone number.

If you change your address or telephone number, you are required to notify the Tax Collector. This is necessary so the Town can contact you if and when the property is redeemed.

If you assign your rights as the successful bidder to another party, you are required to notify the Tax Collector. This is necessary so the Town can contact them if and when the property is redeemed.

During the six month "redemption" period, you as the successful bidder DO have an insurable interest in the property. Per state statute, you are permitted to obtain casualty or loss insurance on the property to protect your investment, even though you are not the owner. The Town of Windsor makes no representations concerning your ability to obtain casualty or other insurance or the ease or difficulty thereof, other than to note that there is a provision allowing you to do so contained in the state statute on tax sales.

**- If you are not the successful bidder:**

**Your deposit will be returned to you immediately following the bidding on that particular property. Please return to the table as soon as the bidding on that property is concluded. You will be asked to present your bid number, surrender your receipt, and sign for your deposit, and your deposit will be returned to you at that time.**

If the highest bidder fails to consummate the sale by April 21, 2023, the Town reserves the right to offer the property for sale to the next highest bidder, and so on down the line of bidders. If this situation should occur and you were initially not the successful bidder, but you were the next highest bidder, the Town will contact you. The Town also reserves the right to sell the property to itself, if the

highest bidder and/or the next highest bidder(s) fail to consummate the sale, by acquiring the property in lieu of taxes due, as if the Town had bid in at the sale.

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If there is competition among bidders for a property, and the bidding goes higher than the minimum bid on any property, any “overbid” in excess of the amount due to the Town is deposited in a separate escrow account. There is more information later in this packet about overbids.

**C. Payment**

**The balance of the final bid amount (the purchase price) is due by 4:00 p.m. EDT on FRIDAY, April 21, 2023.** You will have less than a week after the auction to come up with the balance of the purchase price, or your bid deposit will be lost. This deadline is very important! You do not want to bid on property that you may not be able to pay for by April 21, 2023. Do not rely on being able to obtain a loan after the sale. Financing is difficult to arrange in such a short time.

**THERE WILL BE NO EXTENSIONS FOR ANY REASON WHATSOEVER. You will forfeit your deposit WITHOUT EXCEPTION if you miss the deadline. We are aware that illnesses, schedule conflicts, transportation problems and so on can occur unexpectedly. Because there are NO EXCEPTIONS to the deadline, please do not wait until the last minute to come in with your bid balance if you are prepared earlier! Make sure you will have the rest of your purchase price by the deadline BEFORE YOU BID.**

**REMEMBER: Payment of the balance due must be in the form of certified bank check, bank cashier’s check, or money order payable to the Town of Windsor.**

**D. After the Sale**

Please remember that there is a six month redemption period on each property. If you are the successful bidder, you simply wait during this time. You have no rights to the property – not yet. You **cannot** make repairs, collect rents, move in or even inspect the property. However, the law states that you do have a sufficient insurable interest in the property to insure against fire or other risk. Therefore, we strongly recommend that successful bidders insure the properties they bid on in order to protect their investment. However, this is up to you as the bidder and the Town is not involved.

**E. Property Redemption**



If the property is redeemed:

In order to redeem the property, the delinquent taxpayer, mortgagee, lienholder or other record encumbrancer whose interest in the property will be affected by the sale, within six months from the date of the sale, must pay or tender to the Tax Collector the amount of taxes, interest and charges which were due and owing at the time of the sale, together with 18% per annum (one and one half percent per month) interest on the total purchase price (the bid) paid by the purchaser.

If the property is redeemed, the owner retains the property, and the deed which had been drawn up in the bidder's name is cancelled.

Within ten days of receipt of the amount in redemption, the Tax Collector shall notify the purchaser that the property has been redeemed, and shall tender to the purchaser the redemption payment, together with the overbid amount, if any.

When an owner or interested party redeems, they prevent title from passing to the bidder.

By way of example, if redemption occurs in the third month after the sale, the bidder can make 4.5% on his or her money. If redemption occurs in the sixth month the successful bidder can make 9% on his or her money. Because of this rate of return, some individuals consider bidding at a tax sale as a type of investment. No bank can give you this rate of return in this period of time. In this way, bidders make money IF the property they bid on IS REDEEMED. However, if it is NOT redeemed, and you are expecting to make money, you will be disappointed, although you will take title to the property. The bottom line is, it may not be advisable to bid on property UNLESS you are willing to accept ownership of the property, in case it is NOT redeemed and title DOES pass to you after the six month period.

The Tax Collector handles the redemption of the property, so there is no reason to worry about how you would prepare for it, or how you would deal with the owner of the property. The owner or interested party must tender the redemption amount to the Tax Collector, and the Tax Collector tenders the money to the successful bidder. The Tax Collector serves as the intermediary in this transaction. In order to redeem property, payment must be in the form of bank cashier's check, so there is no chance a redemption payment will be returned for insufficient funds. The Tax Collector's office collects the redemption amount, makes sure the bidder is being paid the correct amount, including the correct amount of interest, and mails the redemption funds directly to the bidder.

***F. Transfer of Title to the Property***

If the property is not redeemed, the bidder will not be paid any money, but will instead acquire the property. If the owner (or other party) does not pay as specified above within six months from the date of the sale (by October 16, 2023), title to the property passes to the successful bidder. The morning after the expiration of the redemption period, the deeds to all properties that were not redeemed will be filed in the Windsor Land Records. This filing will occur on October 17, 2023. At that time, the bidder becomes the new owner of the property. Note that title passes subject to the redemption rights of the Internal Revenue Service, if there are federal tax liens against the property.

The statute states that if redemption does not occur, the end result for the delinquent taxpayer and for all mortgagees, lienholders and other record encumbrancer(s) who have received actual or constructive notice of such sale as provided by law, is that “their respective titles, mortgages, liens and other encumbrances in such property shall be extinguished.” This means the new owner takes the property without being subject to these prior encumbrances.

If the property is not redeemed, at the conclusion of the six month redemption period (after October 16, 2023), if there was any overbid, it is delivered to the Clerk of the Superior Court. At that time, the owner of the property, and any lienholder, mortgagee or record encumbrancer may make application to the Court for disposition of the overbid. The Town of Windsor is not involved in this determination. Please see more below regarding overbids.

#### **G. Internal Revenue Service Liens**

If there are federal tax liens (Internal Revenue Service, or IRS liens) on a property, bidders and potential bidders are advised that title to tax sale properties passes subject to the redemption rights of the Internal Revenue Service. This means that the IRS may still be able to enforce collection of its liens against a subsequent owner of a property. This is so because, although the Town has notified the IRS in accordance with state law and tax sale procedure, the IRS frequently changes its rules regarding notice requirements. Sometimes the IRS pursues subsequent owners; sometimes the IRS does not. You are advised to CONSULT WITH YOUR OWN ATTORNEY OR FINANCIAL ADVISOR if you intend to bid on a property which is the subject of Internal Revenue Service liens in order to determine your rights. The Town of Windsor and its employees and agents WILL NOT answer your questions or advise you in this regard. The Town of Windsor, its employees and agents WILL NOT be able to advise you of the existence or nonexistence of these liens. It is the responsibility of the potential bidder to make this determination.

#### **H. Overbids**

If bidding on a property becomes competitive, and the final bid is for more than the taxes and charges due, the additional amount is called an overbid. When the successful bidder makes final payment of the purchase price, the funds are used to pay off all the back taxes and charges, and the overbid is deposited into a separate account by the Town.

If the property is redeemed by the owner or interested party within the six month redemption period, the tax collector will collect from them 1.) the amount of the minimum bid that was due at the time of the tax sale, and 2.) interest at the rate of 1.5% per month from the date of the tax sale on the total bid amount. These amounts will go toward the redemption of the property. The tax collector will also withdraw the amount of the overbid from the town's account, and tender it to the bidder as part of the redemption amount.

If the property is not redeemed, the owner loses title to the property, and the tax collector turns the overbid over to the Clerk of the Superior Court for subsequent distribution to the owner, the lienholders, or the state (escheat). In either case, the Town does not retain the overbid and does not make a "profit" on tax sale properties, regardless of how much they sell for.

#### ***I. Disclaimers***

**The Town of Windsor makes absolutely NO representations concerning the character or suitability of any property offered for sale.**

**Properties are sold subject to restrictions, covenants and appurtenances as of record, and to taxes and fees of the Town of Windsor not yet due and payable.**

**IT IS THE RESPONSIBILITY OF THE BIDDER TO DETERMINE THE CHARACTERISTICS AND SUITABILITY OF ANY PROPERTY OFFERED FOR SALE.**

**THIS TAX SALE IS A FINAL SALE. Once you have been declared the successful bidder, you may not withdraw your bid without forfeiting your deposit.**

The state statutes concerning tax sale are available for public inspection before and during the sale.

**NONE OF THE PROPERTIES BEING SOLD IS GUARANTEED BUILDABLE UNDER CURRENT ZONING REGULATIONS.**

**ALL PROPERTIES ARE SUBJECT TO RESTRICTIONS, COVENANTS, AND APPURTENANCES OF RECORD WHICH MAY APPEAR.**

**THE TOWN OF WINDSOR AND ITS OFFICIALS MAKE NO REPRESENTATIONS, WARRANTIES OR GUARANTEES CONCERNING THE SUITABILITY OR CHARACTER OF ANY PROPERTY OFFERED FOR TAX SALE.**

**ALL PROPERTIES ARE SUBJECT TO ADDITIONAL TAXES, INTEREST, FEES AND OTHER CHARGES AUTHORIZED BY LAW ACCRUING SUBSEQUENT TO THE DATE OF THE NOTICE OF SALE. Such will be added to the amounts indicated as due and owing.**

**Potential bidders are advised of the possible existence of environmental contaminants on the properties.**

**Each tax sale property is sold “as is.”**

**Potential bidders assume full and complete responsibility for ascertaining the suitability and character of each property, for any and all costs incurred pursuant thereto, and for all costs and/or liability incurred as a consequence of bidding.**

**TERMS OF SALE: This is a public auction and property will be sold to the highest bidder on each individual property. The minimum bid on each property will be the amount of taxes, interest, lien and other fees, and costs due as of the date of the sale.**

**REMEMBER: For successful bidders, the balance of the purchase price is due by 4:00 p.m. EDT on Friday, April 21, 2023, or they shall forfeit their deposit and the right to purchase the property. Payment of the balance must be in the form of certified bank check, bank cashier’s check, or money order payable to the Town of Windsor. If payment is not received by 4:00 p.m. EDT on Friday, April 21, 2023, the purchaser (bidder) forfeits his or her deposit and the right to purchase the property.**

**DO NOT BID ON PROPERTY UNLESS YOU KNOW WHAT YOU ARE BIDDING ON AND WHAT YOU ARE DOING. All bidders and potential bidders are strongly advised to obtain their own legal counsel or financial advice before making the final decision to bid on tax sale properties.**

Prepared by Cathleen U. Elliot, CCMC, Tax Collector, Town of Windsor February 10, 2023.