



Government of the District of Columbia
Office of the Chief Financial Officer
Office of Tax and Revenue

DISTRICT OF COLUMBIA
2016 DISCOUNT TAX SALE
FREQUENTLY ASKED QUESTIONS

**DISTRICT OF COLUMBIA
2016 DISCOUNT REAL PROPERTY TAX SALE**

FREQUENTLY ASKED QUESTIONS

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1. **When and where is the District of Columbia Discount Tax Sale going to be held?**
 - a. WHEN:
March 14, 2016
 - b. WHERE:
Office of Tax and Revenue
1101 4th Street, SW
2nd Floor, Room W250
Washington, DC 20024
 - c. TIME:
8:30 a.m. to 12:00 noon and 1:00 p.m. to 4:30 p.m., or until all properties are sold.

2. **When and where can you register for the District of Columbia Discount Tax Sale?**
 - a. WHEN:
Begins March 7, 2016
 - b. WHERE:
Office of Tax and Revenue
1101 4th Street, SW
2nd Floor, Customer Service Center
Washington, DC 20024
 - c. TIME:
8:15 a.m. to 4:30 p.m., or until all properties advertised for that day are sold.
 - d. A purchaser who registered for the cancelled January 25, 2016 Discount Sale and who has not requested a refund of the deposit is considered registered for this Discount Sale.

3. **Where can a potential purchaser or bidder obtain a list of properties to be auctioned at the Discount Tax Sale?**
 - a. OTR's Web site:
 - i. Go to www.taxpayerservicecenter.com
 - ii. Look under "Real Property Information" and click on the link for "Real Property Tax Sale";
 - iii. Click on "Discount Tax Sale"; and
 - vi. Click on "2016 Discount Tax Sale List".

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4. What are some suggested Web sites that a potential purchaser can view to research outstanding liabilities of any property being auctioned and to view the properties individually?

- a. Tax Liens – Recorder of Deeds Web site – This Web site provides valuable information about mortgages, liens and encumbrances affecting the title to property. To use this Web site:
 - i. www.taxpayerservicecenter.com;
 - ii. Then “Recorder of Deeds”;
 - iii. Then “Recorder of Deeds - Document Images”;
 - iv. Then “Online Public Records”;
 - v. Then click on “Search”; and
 - vi. Then click on “Create New User Account” and complete information to access the Recorder of Deeds Web site.
- b. Real Property Tax Assessment Web site - This Web site includes valuable information about each property including the neighborhood, sub-neighborhood, class, assessed value, gross building area, land area, real property taxes and payment history. To use this Web site:
 - i. Go to www.taxpayerservicecenter.com;
 - ii. Click on “Real Property”;
 - iii. Then “Real Property Tax Database Search”;
 - iv. Then “Search Real Property Assessment Database”; and
 - v. Type in 4 digits for Square (*e.g.* 0111) Suffix (*e.g.* W) and Lot (*e.g.* 0001).
- c. Water and Sewer Web site (WASA) – this Web site provides valuable information about water bills.
 - i. To use this Web site, go to www.dcwasa.com; or
 - ii. Contact WASA at (202) 787-2000.
- d. Department of Consumer & Regulatory Affairs Web site (DCRA) – this Web site provides valuable information about lot history, classification and permit information.
 - i. To use this Web site, go to www.dkra.dc.gov; or
 - ii. Contact DCRA at (202) 442-4400.
- e. Department of Public Works Web site (DPW) – this Web site provides valuable information about roads, sidewalks, streetlights and easements that may affect a property.
 - i. To use this Web site, go to www.dpw.dc.gov; or
 - ii. Contact DPW at (202) 645-7190.
- f. DC Atlas - this Web site provides maps so the property can be viewed. To use the Web site, go to www.atlasplus.dcgis.dc.gov .

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- 5. Can a property be inspected prior to the Discount Tax Sale?**
It is recommended, but not required, that anyone interested in purchasing a property at the Discount Tax Sale locate and identify any property they are considering bidding on prior to the Discount Tax Sale. The advertisement or sale of a property at the Discount Tax Sale does not grant a right of entry to a potential bidder or the tax sale purchaser. The entry onto a property for any purpose, whatsoever, by a potential bidder or the tax sale purchaser shall be subject to the laws on trespass.
- 6. Can a delinquent taxpayer participate in the Discount Tax Sale?**
- a. DC Official Code § 47-1346(a) (5) states that:
 - i. "A potential purchaser, including a natural person or business entity, who is delinquent in payment of *in rem* taxes to the District or who has been convicted of a felony involving fraud, deceit, moral turpitude, or anticompetitive behavior, may not bid on real property offered at a sale held under this chapter or otherwise acquire an interest in real property sold under this chapter."
 - ii. Also, the same provision mandates that bidders cannot be related to business organizations that are delinquent in the payment of *in rem* taxes.
 - b. If it is determined that a bidder is delinquent in *in rem* taxes after the purchase of a property, the sale will be *voided and monies paid will be forfeited*.
- 7. Must I register for DC taxes?**
- a. A potential purchaser/bidder must complete a Combined Business Tax Registration Application (Form FR-500).
 - i. Form FR-500 may be filed:
 - 1. *online* by visiting the Office of Tax and Revenue's Web site at:
 - a. Go to www.taxpayerservicecenter.com;
 - b. Click on "Services";
 - c. Click on "Business Tax Service Center";
 - d. Under "Online Filing Services", select "New Business Registration"; and
 - e. Click "Register a business electronically"; or
 - 2. *in person* at the Office of Tax and Revenue's Walk-in Center, 1101 4th Street, SW, Washington, DC 20024

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- 8. What information is required to register to bid at the Discount Tax Sale?**
- a. Each prospective purchaser/bidder will be *required* to provide personal information, including the following:
 - i. Driver's license or state issued identification card;
 - ii. Name(s) of potential purchaser(s) (maximum of two names per registration);
 - iii. Potential purchaser's mailing address;
 - iv. Potential purchaser's telephone numbers (home, business and fax);
 - v. Attorney information (if available);
 - vi. Notice of Business Tax Registration (issued by OTR's Customer Service Administration);
 - vii. Potential purchaser's Social Security Number or Federal Employer Identification Number (FEIN) (please note that a business, including an LLC, must provide a FEIN); and
 - viii. A properly completed IRS Form W-9 (please attach IRS Form W-9 to the Discount Tax Sale registration form).
- 9. What is the minimum deposit required to bid?**
- a. The required minimum deposit of 20% of the total purchase price must be paid prior to bidding. This deposit should be paid immediately after completing and signing the registration form.
 - b. The potential purchaser/bidder can pay the deposit at the following location:
 - i. Location:
Cashier's Office of the DC Treasurer,
1101 4th Street, SW
1st Floor
Washington, DC 20024
 - ii. Time:
8:15 a.m. to 4:30 p.m.
Monday through Friday or, until all properties advertised for that day are sold.
 - c. Payment Method:
Payments can be made by cash, certified check, money order, cashier check or by bank check (personal or business checks will not be accepted).
Payment must be made payable to the DC Treasurer.

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10. What happens if the Discount Tax Sale bidder wins a property and the bidder has a deposit of less than 20% of the winning bid?

- a. The sale is not complete if the bidder's deposit (or remaining amount on deposit) is less than 20% of the successful bid.
- b. Bidders may increase deposits at anytime during the Discount Tax Sale by making payments at the Cashier's Office of the DC Treasurer on the 1st Floor of 1101 4th Street, SW, Washington, DC 20024.
- c. The Office of Tax and Revenue will not delay bidding to allow a bidder to increase a deposit.
- d. In cases where the Tax Sale bidder bids on multiple properties, the deposit on record will be applied to the winning bid amounts in the order that the bids were placed. If a Tax Sale buyer bids on a property for which he or she has an insufficient deposit, the property will be re-auctioned.

For example: Purchaser C places the winning bid on three properties and has a deposit of \$2,000. Therefore, Purchaser C's total bid amount may not exceed \$10,000. The winning bid for Property 1 was \$5,000; the winning bid for Property 2 was \$8,000 and the winning bid for Property 3 was \$4,500.

There is a sufficient amount on deposit to cover the first bid on Property 1, and that bid will become final (subject to payment of the remaining balance), however, there is not enough money on deposit to cover the first and second bids once they are combined. Since the total amount of the bids (\$5,000 + \$8,000 = \$13,000 exceeds the \$10,000 bid limit based on the \$2,000 deposit, the second and third bids will be cancelled and Property 2 and Property 3 will be re-offered for sale.

- e. The potential purchaser or bidder must submit a copy of the paid receipt at the Tax Sale Registration Desk after making payment at the Cashier's Office.

11. What will a bidder receive after paying the deposit?

- a. A registration number will be assigned to each Discount Tax Sale bidder at the Office of Tax and Revenue, 1101 4th Street, SW, Room W250, Training Room A, Washington, DC 20024.
- b. A copy of the Tax Sale Registration form must be presented to receive a "number card". Each potential purchaser will receive a "number card" that will be used during the bidding process. The potential purchaser must turn in the number card to the Tax Sale Registration Desk at the end of each session.

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12. What is the bidding process at the Discount Tax Sale?

- a. The opening bid for each property will be \$300, regardless of the amount of delinquent taxes owed on the property. Each property will be sold to the highest bidder. The bids will be raised by increments of \$100 and then \$500, until the property is sold to the highest bidder. All bids are final, subject to payment of the remaining balance.
- b. It is very important to be aware of the property being auctioned and to follow along with the auctioneer.

13. When is a bid entered?

- a. A bid is entered when a potential purchaser/bidder raises the "number card" high enough so the auctioneer can see it.
- b. The auctioneer will state the number of the successful bidder before the auction proceeds to the next listed property. Failure to confirm the winning bid may result in a bidder becoming the successful buyer of a property, even if it was not the bidder's intention to enter the final bid. The auction will be recorded to ensure the accuracy of the bidding process.

14. Will the District delay the bidding process to allow a bidder to increase a deposit?

No. Bidding *will not* be delayed to allow a bidder to increase a deposit.

15. When is the payment due for the property purchased at the Discount Tax Sale?

Payment in full of the remaining balance, also referred to as the final payment, is due no later than March 21, 2016.

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16. Where can the Discount Tax Sale purchaser make a final payment?

- a. In Person
 - i. Location:
Cashier's Office of the DC Treasurer
1101 4th Street, SW, 1st Floor
Washington, DC 20024
 - ii. Time:
8:15 a.m. to 4:30 pm.
Monday through Friday
- b. By Mail
 - i. Address:
Office of Tax and Revenue
Real Property Tax Administration
Assessment Services Division/Tax Sale Unit
1101 4th Street, SW
5th Floor, Suite W550
Washington, DC 20024
 - ii. All payments sent by mail must be postmarked by March 21, 2016.
- c. Payment Method:
 - i. Cash, certified check, money order, cashier check or by bank check (Personal and business checks will not be accepted).
 - ii. Payment must be made payable to the DC Treasurer.

17. Can a buyer request an invoice for their final payment at the Discount Tax Sale?

Yes. A buyer can obtain an invoice for their final payment from a Tax Sale Unit employee.

18. Will the buyer receive an invoice/bill from the District for the final payment due?

An invoice will be mailed to the successful Discount Tax Sale buyer identifying the property purchased and the remaining balance of the sale price owed.

19. Does the buyer have to submit the payment in full if they did not receive an invoice/bill from the District for the payment?

Yes. The successful Discount Tax Sale buyer must pay the remaining balance due on the sale price no later than March 21, 2016, even if he or she did not receive an invoice from the District in the mail.

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20. Where can a buyer obtain a duplicate invoice for the payment due?

- a. In Person
 - i. Location:
Office of Tax and Revenue Walk-in Center
1101 4th Street, SW, 2nd Floor
Washington, DC 20024
 - ii. Time:
8:15 a.m. to 4:30 p.m.
Monday through Friday,
(Except legal holidays)
- b. By Mail or Phone
 - Location:
Office of Tax and Revenue Customer Service Center
1101 4th Street, SW, 2nd Floor
Washington, DC 20024
Tel. (202) 727-4TAX (4829)
- c. By Email:
Make inquiry to: taxsale@dc.gov .

21. What will the District issue to the Discount Tax Sale purchaser once the payment of the purchase price has been processed?

Approximately 2 weeks after the Discount Tax Sale concludes on March 21, 2016, the Office of Tax and Revenue, Real Property Tax Administration will issue a Certificate of Sale for each property sold at the Discount Tax Sale and for which the purchase price has been paid and reconciled.

22. Does the buyer own the property purchased at the Discount Tax Sale, once a Certificate of Sale has been issued for the property?

- a. No. The Certificate of Sale does not grant to the Discount Tax Sale purchaser an ownership interest of the property, or any right to enter the property. The Certificate of Sale entitles the Discount Tax Sale Purchaser to foreclose the right of redemption if the taxes remain unpaid.
- b. *Note that the property owner has the right to redeem the property at anytime prior to the issuance of a final order in the foreclosure case.*

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23. What is the process for issuing a refund to the non-winning bidders or excess deposit for winning bidders?

Approximately 2 to 4 weeks after the conclusion of the Discount Tax Sale, the Office of Tax and Revenue will refund to non-winning bidders the deposit paid and any excess deposit paid by winning bidders that exceeds his or her winning bid(s).

24. What is the process for issuing a refund once a Certificate of Sale has been issued?

- a. The Discount Tax Sale purchaser must surrender the original Certificate of Sale to the Office of Tax and Revenue to initiate the refund process.
- b. Processing of Discount Tax Sale refunds takes approximately 2 to 4 weeks, if all supporting documentation required by OTR to process a Tax Sale refund is timely and completely provided by the Discount Tax Sale purchaser (see FAQ #32).
- c. Interest will only be paid up to the date that payment of the delinquent taxes is made by the redeeming party.

25. What is the rate of interest that a buyer will receive on property redeemed by the owner?

- a. Interest is paid at a rate of 1.5% per month (18% per year) on the sale amount exclusive of surplus.
- b. The Discount Tax Sale buyer will receive a refund of the amount of taxes paid with interest thereon. Interest will accrue beginning with the first day of the month following the date of the Discount Tax Sale until the date the taxes are paid by the redeeming party.
- c. Interest is not paid on the surplus amount, which is defined as the difference between the total delinquencies owed and the winning bid amount.

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26. Why does the District cancel a sale and what happens when a sale is cancelled?

- a. A Discount Tax Sale may be cancelled to prevent an injustice to the owner or person with an interest in the real property.
- b. If the sale is cancelled by the District, the amount of interest to be refunded will be at the rate of *1.5% per month (18% per year)*, excluding surplus, beginning with the first day of the month following the date of the Discount Tax Sale until the date of the cancellation of the tax sale.
- c. The Office of Tax and Revenue may terminate a tax sale if the property was sold with incorrect ownership. If a tax sale buyer discovers incorrect ownership when they obtain the title report, the tax sale buyer should not file a lawsuit. The tax sale buyer should contact the Office of Tax and Revenue to begin the termination process. The Office of Tax and Revenue will not reimburse the tax sale buyer for any expenses in excess of the pre-complaint legal expenses (\$381.50).

27. What must be paid by the property owner prior to the Discount Tax Sale?

The property owner must pay all delinquent real property taxes through Tax Year 2015, along with any BID taxes and vault rents.

28. Where can the property owner make a payment?

- a. Any Wells Fargo Bank located in Washington, DC (The Wells Fargo banks located outside of D.C will not accept the payment.); or
- b. Office of Tax and Revenue, Customer Service Center, 1101 4th Street, SW, 2nd Floor, Washington, DC 20024, 202-727-4TAX (4829).

Note: The property owner is responsible for providing proof of payment to the Office of Tax and Revenue within 24 hours after payment has been made at the bank. The property owner is encouraged to bring the proof of payment to the Office of Tax and Revenue at the address listed above, fax a copy of the receipt to the Tax Sale Unit at (202) 478-5955, or email a copy of the receipt to taxsale@dc.gov . Please indicate the square and lot numbers on the receipt.

29. What must the property owner pay after the Discount Tax Sale but before the foreclosure action?

- a. Pay all prior outstanding real property taxes, including penalties and interest;
- b. Pay all delinquent BID taxes and vault rents. (These assessments appear on our Web site, www.taxpayerservicecenter.com, under "Real Property", then Real Property Tax Database Search" then "Search Real

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Property Assessment Database”, and after entering the Square and Lot numbers click on “View Tax Info”); and

- c. Pay the pre-complaint expenses totaling \$381.50.

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

- a. All prior outstanding real property taxes, including penalties and interest;
- b. Pay all delinquent BID taxes and vault rents. (These assessments appear on our Web site, www.taxpayerservicecenter.com, under "Real Property", then Real Property Tax Database Search” then “Search Real Property Assessment Database”, and after entering the Square and Lot numbers click on “View Tax Info”);
- c. Pay attorney’s fees incurred by the Tax Sale Purchaser as allowed by law; and
- d. Pay the pre-complaint legal expenses totaling to \$381.50.

Note: If the property owner does not pay all of 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 for the property to the Tax Sale Purchaser.

31. What documentation must a Discount Tax Sale purchaser provide to OTR in order to receive a refund for a tax sale related refund?

The following are necessary to timely process your refund relating to a single parcel:

- a. Copy of the Tax Sale Registration Form with DC Cashier’s receipt documenting payment;
- b. Original Tax Sale Certificate (if issued to Purchaser);
- c. Subsequent Tax Payments (if applicable) - Proof of payment (copy of DC Cashier’s receipt or copy of cancelled check – front and back); and,
- d. Pre-complaint Legal Expenses (if applicable), copies of the:
 - (i) Tax Sale Certificate; and
 - (ii) Title search and the paid receipt issued for the services rendered for the Pre-Complaint Legal Expenses or an affidavit or a statement from legal counsel attesting to the fact that the services for Pre-Complaint Legal Expenses were rendered. **Note: *The submitted document must state when such expenses were incurred.***

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32. What is the Discount Tax Sale purchaser responsible for paying after the sale for properties won at the sale?

All real property taxes going forward, beginning with Tax Year 2016 real property taxes and any BID taxes or vault rents becoming liens after March 11, 2016.