

Coach Mitch's
Tax Delinquent Real Estate
Ridiculously Simple System *sm*

Getting Lists of Tax Delinquent Property

How to obtain the lists of property at risk for
tax foreclosure in the 5300+
US taxing jurisdictions.

Mitchell Goldstein – **Coach Mitch**

www.CoachMitch.com

Millions of properties are tax delinquent and at risk for tax foreclosure. Finding the lists of tax delinquent property is the first step in determining which property you wish to investigate for a purchase. This manual reveals the methods as to how you can get these valuable lists.

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Start correctly

Every successful project must start with a plan. How are you going to get what you want without a plan? In order to plan correctly, you must understand the various parts of the process.

You must know...

Investing in tax delinquent property is a safe and easy way to invest in real estate. **If you wish to invest in tax delinquent property, you must understand the tax delinquent process, the law involving delinquent taxes, and you must know your way around the court house or county building.**

Every taxing jurisdiction has different rules. You MUST know the rules of the jurisdiction that you are investing within – or you will lose.

BACKGROUND

Taxes are old

Since ancient times, kings have demanded taxes or tribute, and if not paid, then the taxpayers' property was taken as payment. After all, civic duties had to be continued and paid for.

Government liens

The manner in which the government enforces its taxation demand is to place a lien against property owned by the property owner. When the taxpayer does not pay the taxes, the government taxing jurisdiction goes through an exacting process, outlined in law, resulting with a lien being placed against the property and continuing with

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procedures that will allow for an enforced taking of the property via a tax foreclosure, a tax auction or other procedure.

Every state levies and owns tax liens. The first part of the tax delinquent collection process is for the taxing jurisdiction to get a tax lien. States that sell their tax liens are called Tax Lien Certificate, or TLC states. However, not every state sells their tax liens. States that do not sell their tax liens are called Tax Deed states.

What is a lien?

A tax lien has been defined as, "A claim, encumbrance, or charge on property for the payment of some debt, obligation or duty." A lien is a form of security interest over a piece of property, a way to securitize or collateralize a debt so as to provide a heightened assurance that a debt will be paid.

Types of liens

There are three main different types of liens. General liens are all related to real estate and personal property. Tax liens, court ordered judgments, probate actions, and IRS taxes all fall within this category.

When a tradesman does not get paid for a job, he places a Mechanic's lien where the work was done, against the property that was improved.

The effect of a lien

Placing or recording a lien against a property does three things.

- A recorded lien prevents the property owner from selling or transferring the property unless the lien is paid or otherwise addressed.

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- If the lien is not paid voluntarily, the person claiming or owning the lien is allowed by law to pursue foreclosure of the lien and sell the property to pay the lien debt.
- The lien establishes the priority amongst the competing creditors, from the highest to the lowest priority, of those who claim an interest in the property.

What is a tax lien?

Governments need monies and create taxes to raise the capital to pay for the obligations of government, such as the police, fire, ambulance, schools, roads, etc. Government may also need taxes to pay for the cost of civic improvements, as sewers, library or medical facilities, parks, etc. If someone does not pay their assessed tax, within the legal timeframe, government then creates a tax lien against the property.

A tax lien has been defined as, “A lien on real estate in favor of a state or local government which may be foreclosed for the nonpayment of taxes.”

A tax lien can be legally imposed by any entity of government authorized by statute to levy taxes or special assessments. Typical government entities imposing taxes are the state, the county, a city, town, village, or borough, a school district, water, park, or sewer districts, a hospital district, a port or highway authority, etc. Each of these is legally its own taxing jurisdiction.

The property is the collateral

As a matter of law, a lien is attached to property. The property becomes the collateral for the taxes. Remember, part of the definition of a lien, “the property may be foreclosed for the nonpayment of the taxes.” As part of the statute, **the government is given the power to foreclose on the property if the tax is not paid.**

The tax lien has highest priority

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As a matter of law, the property tax lien is the highest priority lien against the property to which it is attached. It is in the most senior position.

Because the government has created law, dictating that it is to be placed into the first position; all persons dealing with that property know that their liens will be inferior to the superior position of the government's lien. All liens that may exist against the property move one position back, including mortgages, IRS tax liens, and other liens. This is the mechanism used to allow the tax lien to occupy the first position.

Bankers, merchants and mechanics all know that the lien does not go away. It follows the property. Merchants and tradesmen know that their products and services are at risk for not getting paid if a tax lien has been levied against the property.

If one cannot or will not pay the taxes on their property, then, logic dictates, there is some chance that the delinquent property owner will not pay for other services. A merchants or mechanics lien for services rendered will fall onto the last priority position, behind the tax lien, behind mortgages, etc.

Expect that people will be hesitant to deal with any property or situation where there is the potential of not getting paid.

A tax lien gives the lien holder an inchoate interest in the property; which is an interest in property that has not yet vested; a possible future interest in real estate.

Liens are secure

Unless the tax lien is paid off, in full, the owner of the property will eventually lose the property. Within the investment world, I know of no investment as secure as a tax lien. That is why governments use them. The government knows that it will eventually get its money. Investors know that a tax lien is protected by the underlying property. As long as the underlying property has more value than the taxes owed, the lien is very secure.

The fact that a tax lien is so secure undergirds its popularity as an investment vehicle. Knowing that the tax lien has a time limit attached is the reason that the property owner is anxious. A tax lien is like a ticking time bomb to the tax payer property owner.

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About 40% – 50% of residential properties being put up for tax deed auction are free and clear. If you were a delinquent taxpayer and you had a free and clear house, how would you feel if your home was to be lost within a week? The stress felt by the delinquent taxpayer is palpable.

Redemption

Governments want their taxes. Universally, all taxing jurisdictions give a time for the taxpayer to pay the taxes after the tax lien has been levied. This timeframe is called a Redemption Period.

Within this timeframe, the taxpayer property owner has the full ability to remove any risk of losing his property by paying all monies owed. Redemption Periods vary significantly, from six months to five years. The reality is that the time for redemption can be even longer because many tax lien investors do not pursue their legal rights to get a deed at the earliest time frame allowed by law. This lack of oversight allows the taxpayer that full amount of extra time to pay the outstanding taxes until a legal action has played itself out.

It is most important to determine the very last moment that a delinquent taxpayer has to redeem the tax delinquent property. This is different in every state. A particular taxing jurisdiction or judge can dictate a policy that can affect the redemption time.

Property Tax Sales - TLC

In tax lien certificate states, the county or other taxing jurisdiction conducts a tax lien auction sale. Tax certificates are sold to investors to collect the taxes due. In this manner, the government gets monies immediately to run government operations.

The investor in the tax certificate, typically, has the responsibility to pursue his interest and collect the taxes plus the interest and other fees due. **The investor should perform a measure of due diligence, ensuring that the value of the property is sufficient to guarantee the safe return of his principle.**

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Tax Lien Certificate example

Let's presume that the taxes levied are \$1000 per year and there is a three year redemption period, plus a six month foreclosure period. An investor should anticipate paying four years of taxes, plus municipal fees, plus attorney's fees, plus noticing costs, foreclosure costs, quiet title action fees, marketing costs, realtor fees, title, and liability insurance, etc. The underlying collateral, the property, must be worth at least \$8000 to have the minimum potential to recoup all the costs involved. Anything more is profit.

Property Tax Sales - Deed

In order to collect its taxes, tax deed states implement procedures to have a tax deed auction sale. The deed to the property is sold, usually with all other liens stripped away. The proceeds of the tax auction sale will pay the taxes.

Here also, caution is advised through good due diligence. For example, in Pennsylvania, if an investor seeks to purchase the property at the initial tax delinquent Upset Sale; the liens go with the property. It is not until the 2nd of three tax sales that the liens are stripped away. State law and local law MUST be known and understood.

Subsequent Sales

Not all property or tax lien certificates sell at the auction. Ownership of those not sold, eschew, or revert to the county. In some states, investors can go the county and offer to purchase the property or TLC directly from the county, Over The Counter, OTC.

Extreme caution must be exercised with OTC properties. Properties or TLC's purchased Over The Counter have already been offered to the public through the tax auction, and NO ONE WANTED THE PROPERTY OR THE TAX LIEN. Investigate why no one purchased them. Sometimes you can find a golden nugget that others missed. For instance, a parcel that is in the Path of Progress.

Excess Proceeds

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Within the last period, prices of real estate have risen dramatically. People are trying hard to find deals. As a result, more and more people are populating tax auctions. With larger crowds, bids at auctions have also increased. Prices at tax deed auctions are up, around the country. With higher bids, come overbids.

In most cases, any auction amounts over the amount of taxes due are supposed to revert to the previous owner because the taxes due have been paid. However, counties are making it increasingly difficult to get the excess proceeds because they see these overages as additional income to a tax starved government.

Government should make sure that the previous owner gets the excess proceeds. That is the law and is fair. After all, government has taken the property, sold it, and should only keep the taxes due. To do otherwise is unseemly. Somehow, government officials have come to feel their need to fund government programs as more important than upholding the honor and spirit of the law.

Seeking to work with the previous owner to recoup the excess proceeds can be a major profit center. **Coach Mitch's famous \$1 Option series** has an option specifically designed to take advantage of this profit center.

Bad or Useless Property

It is said that G-d is not making any more land. That is certainly true; however, some of the land that G-d has made - is not worth owning.

I have seen people purchase worthless property many times.

Because they did not inspect the property prior to bidding, these folks have spent thousands on what they thought was a good deal, only to find that the property is useless.

What will you do with a property that is land locked? You can't legally get to your new acquisition without trespassing on another's land. What good is a parcel of land that happens to be under a bridge, or is a meridian in a highway? How will you use a parcel that is 10 feet wide by 100 feet long? Will you be happy with being responsible for cleaning up that environmentally hazardous plot?

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Be aware to beware!

Don't bid unless you've at least seen a satellite photo.

How to Get the Tax Delinquent Property Lists

Our Purpose

Our object is to purchase or control property prior to the tax deed auction or prior to that last moment when a tax lien certificate matures into a deed.

IMHO, the best opportunity in real estate investing is to make your fortune by helping those who are about to lose their property to the tax auction.

Decisions

You must first decide the approach that appeals to you.

DeedMining - allows you to pursue all tax delinquent properties in your county and for an extended period of time, six months to five years, OR

DeedGrabbing - concentrates on pursuing only those properties that are very close to being in the tax deed auction sale.

The investing strategies for each can be different.

DeedMining

If you work a list of all tax delinquent properties, you will have more time to pursue **Coach Mitch's \$1 Option Strategy**. This allows more time to resell the property without first paying the delinquent property taxes. Often, there are many thousands of tax delinquent properties in a county. The number of leads is enormous.

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You will encounter less-motivated owners, because there may be a significant amount of time for them to pay their delinquent taxes before auction, or to sell on their own, without your help.

DeedGrabbing

If you want to focus on properties that are very near the tax deed auction, you will encounter a much more motivated seller.

However, you will sometimes have severe time constraints to deal with. You will have to be prepared to pay the delinquent taxes yourself, resell very quickly, or pursue an excess proceeds strategy, if your state has one. There are usually only dozens or hundreds of properties on this list, not the thousands, or tens of thousands that you'll find on the general delinquent list.

Rule #1

You are dealing with government officials so you may get passed around from office to office. Always be polite and patient. You don't ever want to make an enemy of a government official. You always lose.

Start – Get the entire Delinquent Tax Roll

- 1 Go to the Tax Collector's office.

You can put the name of the county and state into Google and get the address of the county office building. Often the tax collector's office is located in the county court house. If the county has a web site, check to see if there is a website for the tax collector. Roam around the web sites.

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- 2 At the tax collector, ask "I would like a copy of the file of all properties delinquent for the non-payment of property taxes in the county." Sometimes people call it the Delinquent Tax Roll.

- 3 At the tax collector, ask, "Can I get the delinquent tax roll in electronic format; preferably in Excel, CSV or comma delimited format?"

- 4 If the county works with computers, then they have the data in electronic format and you should be able to get the list in the manner you wish.

- 5 You may not be able to get the list you want with the first try. You will probably have to speak to a number of people before you find someone who can get the Delinquent Tax List. Don't be discouraged.

- 6 Most often clerks will say, "We don't have that." OR "I don't know what that is." OR "I've never heard of that." OR the clerk will interpret that you actually want the latest information regarding a tax lien sale or a tax auction sale.

Understand that you have asked for an item that few, if any, have asked for. The clerks do not know what it is that you want. They need some help.

You can assure the clerk that you do NOT want the tax auction information.
"Thank you for that information. I do not need to know about the upcoming tax auction. I am seeking the entire Delinquent Tax Roll. I need the entire list of all tax delinquent properties in the county."

- 7 You can help the clerk by saying, "Usually, the computer department handles creating the tax delinquent lists. Who would be the technician in the computer department?"

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- 8 Find out who the IT, Information Technology, person is and speak to that individual about getting the tax delinquent roll. The IT person will know what you are inquiring about.

IT will know what you are seeking because the IT or computer department deals with the tax lists. When the tax collector or the tax assessor wants information, they contact the computer technician to generate the data.

Currently, all departments are computerized. The tax collector is computerized as is the tax assessor. There are simply too many records and too many pieces of information to deal with. These departments may not yet have their own websites, but they are computerized.

- 9 The computer technician can create your tax delinquent property list and the other two files that you want.

The three files you want are:

The Delinquent Tax Roll
The Column Headings file
The Property Type Index file

- 10 You will want to verify what information is available on the Delinquent Tax Roll because you may not want all the information that is being gathered. You could be paying for computer time and the more computer time, the greater the cost.

- 11 You want to know exactly what fields are on the computer record. Ask for, "The list of column titles on the tax delinquent roll, including any abbreviations, along with an explanation of what the column titles represent."

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It is most important that you understand what each column does.

Example: What does this column heading represent: `SECONDARY_IMPROVE_FCV`

Not all column headings are readily understood.

- 12 Be sure that the list of columns includes all the information that you do want.

- Parcel #
- Owner Name
- Owner Address
- Person receiving tax bill
- Address where tax bill is sent
- Land value
- Improved value
- Total assessed value
- Tax exemptions
- Tax owed per year
- Total taxes owed
- Property Type
- Legal description
- Lot size

- 13 You also want the **Property Type Index** OR the **Property Code Index**.

This is an extensive listing, by code number, of how each county catalogs all the different types of property. There are often hundreds of property codes. Be mindful that each taxing jurisdiction has its own code.

For instance: 110 = Single Family House

220 = Duplex

1105 = Vacant land, residential, urban subdivided

1111 = Vacant land, residential, rural subdivided, etc.

2100 = Commercial, retail, strip mall

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14 Much other information about the property might be available and is valuable.

For example:

- Zoning
- Property size
- Property layout
- Millage rates
- Pictures
- Sales history
- Flood plain

This could also be tax assessors' data. Sometimes the tax collectors data base can be merged with the tax assessors, creating a treasure of data.

15 Ask the computer technician if the tax assessors roll is available and get a copy.

16 You will have all the data you will ever need by crisscrossing or merging the tax assessors roll with the delinquent tax roll.

17 If the IT or Computer department will not create a Delinquent Tax Roll without the specific permission of a superior, then ask, "Who would be the person able to give permission for you to create the Delinquent Tax Roll?"

18 Most often the person who can authorize the creation of the list will be in the Tax Collector's OR Treasurer's office.

19 When permission has been granted, give IT the specifications for the file you want made up.

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- 20 Fees can vary widely. It is a good idea to get an exact amount that the file will cost to create before the work has started. There is often a set fee for the work to be done.

The Information Technology department can often put a list onto a CD, a DVD, they can email it, or they can put the list on some other format, like tape.

Sometimes you will be required to pre-pay for the disk and you might even be asked to send a SASE, Self Addressed Stamped Envelope.

- 21 Sometimes, you have to work hard for your fortune. When requesting the Delinquent Tax Roll, I have gotten varied responses from tax collectors or their representatives.

“We only sell that list to authorized companies.”

“Sure, no problem. I can download that file to your email. Give me one minute.”

“That is a private list.”

“We don't have such a list.” etc.

BTW, these were four responses from some counties around me when I first approached them.

- 22 **Public Access Laws**

The federal government and every state have laws outlining the idea that public access to government records is in the public interest, that it is public policy for government to be open.

The public access laws state that records should generally be made available to the people, the exceptions to the law, the formats in which the data should be available, and the fees charged to the public. Standards in law are set up for the specific records that can be kept from the public.

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Sometimes records will be labeled as “work product” which does not have to be let out. Government is not beyond trying to hide data it does not want made public. If you find records that you want labeled as “work product,” make sure that, in your opinion, it is proper for the particular records you are seeking, to be labeled in that manner. Ask, “Specifically, what about that information allows it to be classified as work product?”

- 23 Public access laws carry specific penalties if a government official denies you access to records that should be available according to the law.

I have never needed to threaten a government official who was refusing me access to the Delinquent Tax Roll.

Whenever I go to the county building, I always carry a copy of that state's Public Access Law. For instance, in New York State's Public Officers Law, Article 6, Section 89, I highlight in yellow the parts allowing records access and the penalties for denial. I ask the official to, “Please explain these sections of the law to me. I'm not a lawyer and I want to make sure that I understand the meaning.”

In New York, there is also a law called, Article 78. This allows a government official to be brought before a judge who will decide if the official followed the law.

In all other states, a similar procedure called a Writ of Mandamus, can be used to force a government official to comply with law.

- 24 **Perception is reality**

If the government worker thinks that you know the law then they are less likely to bluff you and they are more likely to grant you what you want.

- 25 Ask, “Should I make a formal FOIL request?”

FOIL = Freedom Of Information Law OR FOIA = Freedom Of Information Act

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This question now puts the onus on the government official. They know that a legal standard has now been put into the mix. There are penalties involved if a government official can be shown to have violated a FOIL request.

26 **Engage the FOIL “Records Request Officer”**

This is the specific official charged with making sure that FOIL requests are granted and that denials are within the law.

As a general proposition, all information collected and maintained by state and local agencies is subject to disclosure under the Freedom of Information Law, unless specifically exempted.

27 When making a FOIL request, be sure to state clearly the exact information that you want. Referencing the law helps your case immensely.

Example: “I request the entire Delinquent Tax Roll for Albany County in Excel format on a CD. This file should include all delinquent tax records in the county’s possession that the county is required to maintain pursuant to NYS Revised Statutes Title 3, Article 12, Section 920.”

There is no misunderstanding what I want. Therefore, there will be no delays.

28 **Non commercial purpose**

The law – you will find this approximate verbiage in all state public access laws.

The “sale or release of lists of names and addresses (can be denied) if such list would be used for commercial purposes.”

You will help yourself if you can tell the tax collector or other government official a rational reason for wanting the Delinquent Tax Roll. They are curious but the tax collector and the FOIL officer are also guardians of the public trust.

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Instructions for Getting Lists of Tax Delinquent Property From The Taxing Jurisdiction

The tax collector does not want to be embarrassed nor do they want any government office to be put at risk. Understood from this vantage point – **Coach Mitch** says; **Just say “Yes.”** Give government what it wants - a good reason for wanting the tax delinquent information. **A good reason = research.**

29 **Non commercial reasons**

“I am doing a study of tax delinquent property. I am checking into the rates of delinquency and the rates of redemption.”

“I am researching real estate in this county and I am gathering information to check how safe it is to own property in this county.”

Don't use - “I trying to find property that I can buy or invest in.”

Don't use - “I am writing a story about the high cost of government and what causes tax delinquency.”

30 **Intent**

Intent has been defined as: *A determination to perform a particular act or to act in a particular manner for a specific reason; an aim or design.*

Intent refers only to the state of mind with which the act is done or omitted.

Intent differs from **motive**, which is an idea, belief, or emotion that impels a person to act in accordance with that state of mind.

If a government official asks, “Are you going to buy property?” You can say, “That is not my intent.”

The reality is that this is true. **Your motive for doing the study is to see if there are any properties that you might like to purchase. If you do not find good candidates then you have absolutely no intention of buying property.**

Your intention is to look, to study, to research – not to purchase.

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You may hope to purchase, in fact, you may even purchase; however, that is not a certainty. A purchase is a consequence of the research.

Your specific intent for getting the list is to do research, period.

I hope the difference is clear to you.

If you slip up and say too much...like, "I want to buy houses."

Unfortunately, you have shot yourself in the foot by giving too much information. I understand the inclination to be forthcoming and honest; however, you cannot put the Jeanie back in the bottle and the reality is that you want to do research.

Government may ask what seems to be an innocent question, but they **only ask questions if they are concerned with the answer.** Therefore, you must know what questions concern them and **you must know the range of acceptable answers.**

One thing that you can do at this time is to suggest that the government is not interpreting your "I want to buy houses" statement in the correct manner.

You might say that, "My answer was misinterpreted. Because of the high number of foreclosures, I will be conducting a study to see if it is safe 'to buy houses' in Suffolk County. I am trying to get information if the mortgage crisis is weakening or if it is getting stronger. I am interested in the relationship between the number of homes going to tax foreclosure and those that have mortgages. **I am seeking background information to determine when it is appropriate to perhaps attend a tax deed sale.** It is legal and, from the governments perspective, desirable for you "to buy houses" at the tax deed sale.

Should the FOIL officer say that, "You can get tax deed info from the tax sale brochure." You can respond that, "That is good information, but it does not tell me the trend. I want to track the tax delinquencies and tax redemptions and the mortgage foreclosures so I can determine the bottom of the market."

Instructions for Getting Lists of Tax Delinquent Property From The Taxing Jurisdiction

You are doing research. That is your position. Let them prove otherwise.

If the FOIL officer or the treasurer still will not give you the list, then you can ask, "I have satisfied any legal requirement. On what legal basis are you denying me the list?"

If they say, "I don't believe you." Say, "Please put that statement in writing. I have stated that my intention is to do research. If you think anything else, that is an error. Your denial is in direct opposition to state public policy and state law." Recite the legal attribution-in New York, Title 2, section 890 of the Public Officers Law. "I do not think your decision will not hold up in an Article 78 action (NY) or a Writ of Mandamus (all other states)." This is a very powerful statement.

For a better understanding about this area, see this manual about Writs in Texas by a Texas attorney: <http://www.tex-app.org/articles/cassidy-mandamus.pdf>

31 Commercial Purpose...continued

Lately, some states have started enforcing the restriction on dissemination of information that might be used for commercial purposes.

The method of enforcement is to require a signed statement that you will not use the data for commercial purposes. I have never signed such a statement, because I may use the data for what could be interpreted as a commercial purpose. I'm not going to take the chance.

I received this letter not long ago.

Dear Mr. Goldstein

I have received your note concerning you intended use of the records you seek. The records can be released for purposes of conducting a study as long as the information is not also going to be used for commercial purposes, solicitation, or fundraising. (NY Public Officers Law §89(2) (6)).

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Tax Delinquent Property

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Instructions for Getting Lists of Tax Delinquent Property From The Taxing Jurisdiction

If the records will not be used for those prohibited purposes, please send me a letter signed by you simply stating; "I understand that the records I have requested cannot be used for commercial purposes, solicitation, or fundraising and I hereby state that they will not be so used."

Upon receipt of that letter, the records will be promptly forwarded to you in electronic format.

Thank you.

FOIL Officer

Now what?

If you get a request like this, then ask a friend to request the records. That person has no intention to use the data for any purpose. They can send the required letter. They are acting in your behalf. They can simply give you the data, with no ill effect.

By the way, before I could implement this strategy, a disc arrived from this county with all the data, FREE of charge. Isn't government wonderful?!!

32 **Costs**

The costs of records can be significant, reasonable in cost, OR the records can be **free**. In general, the state public access laws allow for specific charges for paper copies and for electronic documents. In general, the state is required to make costs as low as possible. The cost of the operation to the government is to be passed on to the consumer. You can ask, "The government is not supposed to make a profit in this area. How was the cost determined?"

Read your states Public Access Law. As outlined in the law, the costs could be:

Paper copies = 25 ¢ per page

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Electronic data is free of charge, although there can be a charge for the media.

Transmission by email can be required if the agency is able to do it.

Computer compilation time has specific charge rates.

Prepayment of fees can be requested.

Sometimes an SASE, Self Addressed Stamped Envelope, is requested.

33 Rules

Be human, be patient, be empathetic, be smart, smile.

Don't lose your temper.

Don't fight.

Don't threaten.

Memorize certain phrases:

"I would like a copy of the Delinquent Tax Roll."

"Should I make a formal FOIL request?"

"I would like the Delinquent Tax Roll emailed or on a compact disc, in Excel format."

"I need the records for work (or a study) I am doing."

"I understand what you are saying. How can I get the records I need?"

"Your policy of not giving the Delinquent Tax Roll does not conform to the principle of open government that is state public policy."

Instructions for Getting Lists of Tax Delinquent Property From The Taxing Jurisdiction

"According to the public access law, the Delinquent Tax Roll is not specifically exempted from being disseminated to the public and therefore, must be made available to the public."

"My purpose is to do research. Any other interpretation of my intent is not correct."

34 Don't give up

The tax delinquent records are all available via public access.

Every tax collector will offer you access to each record, one at a time.

The only difference is that you want the entire Roll in one file.

This can present an issue for the tax collector because they want to keep the data out of the public view. Tax collection and the hardships it creates is a sore subject with government officials. They do not want to be embarrassed. That is their operating idea.

If you can make a tax collector comfortable; if you can demonstrate that you will not embarrass him or put him in jeopardy, then you stand a good chance of getting the Delinquent Tax Roll easily.

The logical argument is: if the Delinquent Tax Roll is available one record at a time, then how can it not be available in its entirety?

"Just because," is not an answer for an adult.

"We just don't do it that way," OR "That is the policy," does not go along with the state public access law – the policy violates state law.

Do not back off. Just be polite. You will win.

35 The worst case

The tax delinquent records are available. They are public records.

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Counties consider that they follow the law by making the records available - one at a time.

Looking up records one at a time is not convenient, but it is profitable.

Ask, "Which newspapers are the official newspapers?" OR "In which newspapers do you print the list of properties going to tax auction?"

Contact the official newspaper and get a copy of the newspaper that printed the earliest list of properties scheduled to be auctioned for nonpayment of taxes.

The owners of many of the properties on the list paid the taxes at the last minute and did not allow the property to go through the tax auction.

These late payers are good leads to check. If the owner did not pay the taxes one time, he may not desire or may not be able to pay the taxes again.

The newspaper will give identifying information. Look up the tax record by the property address or by the parcel number. If you see that the owner of the property is again not paying the taxes, then you can approach that owner and see if you can help in the situation.

DeedGrabbing

Carefully read and understand the previous section. Most of the rules found in the first section apply to getting your DeedMining / Tax Delinquent Property List

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Instead of getting the entire list of tax delinquencies as shown above, you can also seek to narrow down your search to the list of properties that are close to being lost to tax foreclosure through a tax auction.

In many cases, getting these records will require a manual search at the county, instead of making a request for electronic records.

Knowledge of your area's rules and procedures are important if you are to succeed in your desire to get the proper records.

Tax Deed States

- 1 If you are working in a state where tax deeds are offered to the public at auction, then you will have an easy time getting your list of tax delinquent properties. It will be made available as a "Tax Deed Sale List," for potential auction bidders to examine 15-45 days prior to the Tax Deed Sale. The county will make it easy to get this list because the Tax Deed Sale bidders will need it in advance.
- 2 Your purpose is to use the "Tax Deed Sale List" to get the information you need so you can contact the owners of the tax delinquent properties. You are not seeking to bid at the sale.
- 3 In certain tax deed states including Wisconsin, Michigan, and New York, the county privately forecloses the property and takes ownership prior to the tax deed sale. Therefore, the county owns all of the properties that will be offered at the tax deed sale, and you will not be able to buy the property from the owner prior to the sale because the owner will have already lost the property to the county.

Instructions for Getting Lists of Tax Delinquent Property From The Taxing Jurisdiction

- 4 Gaining a tax deed sale list in such states is useless unless the counties policy is to allow the owner to pay the taxes up until the tax auction. This is often the case because the county does not want to be seen as not doing everything it can to help the taxpayer. Check with the county or other taxing jurisdictions.

- 5 In the few states where the property is foreclosed and taken prior to the tax deed auction, you must pursue a DeedMining strategy to getting the tax delinquent lists.

By reading the laws of a state where the policy is to own the properties prior to a tax deed auction, you will see that a final foreclosure list is prepared for the internal use of the county department that is foreclosing the properties.

There is no reason that the tax collectors office should deny your access to the Delinquent Tax Roll, or the record in which it exists. Get this list a few months in advance of when the properties will be foreclosed by the counties and pursue a DeedGrabber strategy.

6 Redeemable Deed States

There is another twist in some tax deed states. Five states, including Georgia, Hawaii, Tennessee, and Texas, allow tax deeds to be redeemed, or reversed upon payment of taxes and penalties owed within a certain time after the tax deed sale.

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In these states, you will be able to approach owners using a Tax Deed Sale list but keep in mind that the owner can still redeem the property after the tax sale.

- 7 Get the SALES RESULTS of each tax deed sale in redeemable deed states from the county office that held the sale.

If such a list is not readily available, you may have to compile this list using public records.

- 8 Find out the redemption time allowed by law in that state, and, from the date the property was sold, add the redemption time, calculating forward to find the last date that you can buy the property. This is the drop-dead-date, or the last date the owner can pay the taxes before losing the property. You can approach the owner until that date, and try to purchase the property.

Tax Lien States

- 9 Other states have a tax lien certificate system. The county will sell liens to the public individually, or in rare cases, the county may sell bundles of liens to large institutional buyers.
- 10 In either case, there will be a record of the liens sold at that tax lien auction sale held in the past. It is especially important that you know the state's redemption period in tax lien states.
- 11 Find out the length of the state's redemption period, and look at all the tax lien auction sales that occurred within the redemption period. You need to access the PAST SALES RESULTS and determine which of the liens sold at those tax lien auctions have not yet redeemed.

Instructions for Getting Lists of Tax Delinquent Property From The Taxing Jurisdiction

Example: If a state's redemption period is three years, then look at the results, for that area, of all the tax lien auction sales that were held in the previous three years.

Lists of the properties going up for auction in the previously held auctions are easy to get because the information is old, the lists had been published in newspapers and government officials don't see any harm in giving the lists to you, nor can they see any justification in denying you access.

- 12 **Example:** Suppose you checked with the county on January 1, 2009, and you find a tax lien sale that had occurred on March 1, 2006.

Determine which tax liens were sold at that tax lien sale, and against which properties. Often the record of the sale will also show which tax liens have been redeemed since the sale.

- 13 Remove from the list those properties against which the tax liens have been paid.

You can easily tell this by comparing the 2006 list to the 2007 list and then to the 2008 list and to the 2009 list. Any liens that disappear have been paid.

- 14 The remaining tax liens on your list have not been paid and they will have a redemption deadline of March 1, 2009. This date should be several months in the future, giving you time to do research and to market to interesting properties.

- 15 **Strict deadline?**

There is another important distinction that you must investigate about your state's law: **Is the redemption deadline a strict deadline?**

Might there be a separate foreclosure process that begins later, during which the property can still be redeemed?

Instructions for Getting Lists of Tax Delinquent Property From The Taxing Jurisdiction

Example: In Indiana, once the redemption deadline passes, the property cannot be redeemed. Even though the issuance of the tax deed to the tax lien certificate holder takes a few months, the owner cannot redeem during that time.

In other states, the redemption deadline is merely the EARLIEST date that the tax lien buyer can pursue his application for a tax deed (tax foreclosure). In many cases, property can be redeemed until the moment that a tax deed is issued.

16 It is easy to find out how this works.

Call the tax office and pose as a potential tax lien buyer. Ask, "If I buy tax liens at your next tax sale, how long is the redemption period? Can the owner redeem after the redemption period, while I'm foreclosing?" You should get the answers you need.

17 Regardless of the way the redemptions work, you should still approach tax delinquent property owners with a tax lien against their property close to the redemption deadline. It's just helpful to know if it is a strict deadline.

18 **Important Points**

When you go the tax office to do your research, the tax clerk will probably think that you are looking for the current tax lien auction list - the list of liens that will be offered at the next tax lien auction sale.

Although the current list of tax liens for sale is a useful list, it IS NOT the list that has been described here. You need to access the PAST SALES RESULTS and determine which of the liens sold at those tax sales are still open or unredeemed.

Also, in some states, the properties you'll find on the "tax lien pre-foreclosure" list, described above, WILL NOT appear on the general delinquent list.

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Why? This is because the taxes are not technically delinquent. The tax lien buyer paid the delinquent taxes when he bought the tax lien, and may have been making subsequent payments of the taxes. Therefore, the county treasurer's records may show the taxes for that parcel have been paid on time, even though there is a tax lien against the property.

This is why you must access the sales results of past lien sales in some cases to get the proper list.

In Conclusion

Your time is well spent

It is apparent that the price paid is the most important factor in determining how much of a profit will be able to be made in any real estate transaction.

When comparing all the different ways to purchase / control real estate, dealing in tax delinquent property is, by far, the best way to locate a motivated seller WILLING to sell at a great price and who is ABLE to sell at a give-a-way price. No other system can offer this overwhelming advantage.

Only tax delinquent property can offer an existing list of property owners at high risk, property owners who are desperately seeking a buyer, and property owners who can make any deal they wish, because such a high percentage of the property is free and clear of mortgages or any liens, excepting the taxes.

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The strategy

- 1 Buy / control the tax delinquent property at a great price.**
- 2 Immediately, sell the property on a land contract, with a small down payment and taking back a mortgage.**
- 3 Sell all or part of the mortgage to a note buyer for cash.**

Buy, and then sell quickly, with no need to be a landlord.

Call me and I will buy the note. Good luck.

***Mitchell Goldstein* – Coach Mitch**