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TOPIC: WHAT IS A TAX SALE DEED?

FROM: SCOTT B. UMSTEAD, P.A.

A "tax deed" is issued by the Delinquent Tax Office – it is not a warranty deed and title is <u>not</u> deemed to be either "marketable" or "insurable." You own the property subject to any imperfections in the tax sale process. The tax sale process is rigidly specific and, if that process is not strictly followed, the tax sale can be set aside and the title restored to the original owner (meaning the taxpayer). If you expect to be paid fair market value (FMV) for the property, you will probably have to file a "quiet title" action. Through a "quiet title" action, your should expect to receive title that is both "marketable" and "insurable." If you wish to sell the property now (meaning without a quiet title action), a bank will not lend against the property and the title cannot be insured – this means you will need a cash buyer and should expect to receive less than FMV. In the event of such a sale, you should only tender a quitclaim deed as opposed to a warranty deed.