



ADMINISTRATIVE PROCEDURES

TITLE: Public Auction		PROCEDURE #: 809C
DEPT: Finance		DIVISION:
EFFECTIVE DATE: 11/11	REVIEWED:	REVISED:

OBJECTIVE: To establish procedures for the sale of tax foreclosed and surplus real property at public auction.

REFERENCE: Policy # 809

POLICY STATEMENT: It is Marion County’s policy to offer parcels of tax foreclosed and surplus real property for sale to the prior owner of record, the adjacent property owners, or the general public in a fair and equitable manner for the benefit of the taxing districts and the county.

APPLICABILITY: All county departments.

PROCEDURES:

1. Based on a review of tax foreclosed and surplus properties conducted by departments and research by the finance property specialist, the finance property specialist shall recommend to the board of commissioners a list of properties to be sold at auction. At least an annual auction shall be conducted to return property to the tax rolls, reduce surplus property, and to benefit the county and taxing districts.
2. In accordance with ORS Chapter 275, the board of commissioners shall enter an order for the sale regarding the public notice containing the list of properties and the setting of the public auction date. A public notice of the sale shall be published in a newspaper within the county once a week for four (4) consecutive weeks prior to the auction and the auction will be held no earlier than ten (10) days after the last advertisement.
3. The public notice shall contain the time and location of the sale; the date of the order directing the sale; and the list of properties to be sold detailing the tax lot number, street address or a description of location, approximate acreage, real market value, and minimum bid for each property.
4. The above noted list of properties and the rules of the auction will be found on the website <http://www.co.marion.or.us/Fin/Property> when there is an auction scheduled and the public notice has been published. The finance property specialist also maintains a notification mail list to notify interested prospective buyers of an upcoming auction.
5. A reference guide, for a nominal fee, will be available at the Marion County Board of Commissioners Office reception desk or free online at

<http://www.co.marion.or.us/Fin/Property>. This guide will contain a reference map, legal description and other pertinent information as available. However, the guide is only a reference for prospective buyers to make their own determination as to the existence, value and usability of the interest in the property the county is offering for sale.

6. Prospective buyers are responsible for researching any and all conditions concerning the properties offered. Marion County makes no representation about the value, zoning, suitability for any purpose, building feasibility, environmental condition, wetland designation, forest zones, easements, city ordinances and regulations or any other matters. The county transfers any interest it may hold in these properties by quitclaim deed, not warranty deed.
7. Property will be auctioned by the sheriff or his duly appointed representative at a designated location. Bidders shall register half an hour prior to the auction to receive a bidder's identification number. The auctioneer will not recognize unregistered bidders.
8. Properties are normally sold with the minimum bid set at 75% of the current real market value (RMV) as estimated by the county and verified by physical inspection by the assessor's office or qualified appraiser within 120 days of the date of the public auction, unless specifically advertised otherwise. When property left unsold from a previously offered auction is to be offered for sale at a future auction, the minimum bid may be set at an additional discount as recommended by the finance property specialist.
9. Bids less than the advertised minimum bid will not be accepted. Bidding shall be increments of \$100.00. If no satisfactory bid is received for the parcel announced for sale, the parcel shall be removed from the sale and the parcel shall not be offered again at the same auction. After bids have been called for three (3) times and no further acceptable bids are offered, the auctioneer shall sell the parcel to the highest bidder. The sale will terminate after bids have been called for on all parcels whether the parcels have or have not been sold.
10. Successful bidders will be required to sign a certificate of sale immediately after the close of the auction and a copy will be provided. The certificate of sale shall include the terms of the sale and the name that is to be recorded on the deed. When a corporation signs the certificate of sale, Marion County will require evidence that the person signing is the president or authorized signer along with the corporation resolutions authorizing the transaction.
11. Marion County reserves the right to remove any property from public sale and/or retain any real properties when it deems it to be in the best interest of the county and the public.
12. Sales will be for cash or land sale contract as designated for each property. A 25% non-refundable down payment is required on all sales. Payment shall be received within one hour after the close of the auction and shall be by cash, cashier check, money order or certified check. Failure to present the 25% down payment within one hour of the closure of the auction is a breach of contract. Personal checks will be accepted provided a certified bank check is furnished to replace the personal check within 24 hours after the end of the sale. Failure to replace the personal check is also a breach of contract.

12.1. "Cash" sales require a 25% non-refundable down payment. The full payment of the bid sale must be received within 30 days from the date of the auction. If the buyer fails to consummate the sale, down payment will be retained by Marion County. The property will then be offered to the next high bidder. If the second high bidder does not exercise the purchase option, the property shall be placed on the available property list or offered at future auctions by recommendation from the finance property specialist. Properties identified in the newspaper advertisement as "CASH ONLY" sales shall not be offered on contract nor will a sale for a purchase price of \$5,000 or less be offered on contract.

12.2. Land sale contracts require a 25% non-refundable down payment. If a buyer fails to enter into a contract within 30 days, the down payment will be retained by Marion County and the property will be offered to the next high bidder. If the second high bidder does not exercise the purchase option, the property shall be placed on the available property list or offered at future auctions by recommendation from the finance property specialist. Terms of the land sale contracts shall be as follows:

12.2.1. Contract may be offered for sale of a purchase price of \$5,001-\$9,999 and shall be paid in monthly payments for no more than 2 years.

12.2.2. Contract may be offered for sale of a purchase price of \$10,000-\$19,999 and shall be paid in monthly payments for no more than 5 years.

12.2.3. Contract may be offered for sale of a purchase price of \$20,000 or over and shall be paid in monthly payments for no more than 10 years.

12.2.4. The interest rate for the land sale contract shall be set at prime rate, on the day of the sale, plus 3%. The monthly payment will be calculated by Marion County and will include principal and interest.

12.2.5. The finance property specialist shall review the land sale contract with the purchaser and have purchaser sign a land sale contract summary acknowledging that the purchaser understands the contract.