



# County Technical Assistance Service

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## Disposition of Property Purchased by County at Tax Sale

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Dear Reader:

The following document was created from the CTAS electronic library known as e-Li. This online library is maintained daily by CTAS staff and seeks to represent the most current information regarding issues relative to Tennessee county government.

We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with county government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other e-Li material.

Sincerely,

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## Disposition of Property Purchased by County at Tax Sale

**Reference Number:** CTAS-2188

If the county purchases land at a tax sale, the county mayor is in charge of the land. During the statutory redemption period, the county mayor should preserve the land from waste. At the end of this period, the county mayor is to arrange the sale of the land as expeditiously and advantageously as possible, working with a committee of four county commissioners to place a fair price on each tract of land. The committee may authorize the sale of any tract of land upon such terms that will secure the highest and best sale price, but the credit extended must not exceed three years, and a lien must be retained to secure the purchase price. In no event shall any tract of land be sold for less than the total amount of the taxes, penalty, cost and interest. Interest is calculated on the full amount of the taxes, penalty, cost and interest from the time of acquisition of the land by the county until the sale of the land. If it appears to be impossible to sell the land for this amount, the county legislative body in session may grant permission, upon application, to offer the land for sale at some lower amount fixed by the county legislative body.<sup>1</sup>

See [Sample Resolution to Establish a Committee for Resale of Land Bought at Delinquent Tax Sales](#).

See [Bidding Procedures for Sale of Property Acquired at Delinquent Tax Sales](#).

Whenever the sale of land is arranged by the county mayor, the deed must not be executed or become final until ten days after notice of a proposed sale, the name of the purchaser and the terms, conditions and price are published in a newspaper in the county. The land must be described in the notice only by number, which must refer to a description on file with the committee. If anyone increases the offer within the 10 days by 10 percent or more, the party making the first offer must be notified and a day must be fixed when both parties shall appear and make offers. The tract of land must be sold to the highest and best offer.<sup>2</sup>

Conveyances of land are made without warranties of any sort, and deeds are executed by the county mayor or other chief fiscal officer of the county and the county trustee, who must collect the purchase price at the time of execution of the deed and apply the proceeds accordingly. The deed is prepared by the delinquent tax attorney as a part of the duties for which he or she is compensated by the provisions of T.C.A. § 67-5-2410; no additional compensation is allowed.<sup>3</sup> If the land cannot be sold at the end of the statutory redemption period, property held by a county is exempt from taxation, regardless of use, as long as the property is held for the purpose of realizing the full amount of taxes, penalties, costs, and interest.<sup>4</sup>

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<sup>1</sup>T.C.A. § 67-5-2507(a)(1) - (3), (b)(1) - (4). See T.C.A. § 67-5-2508(d) for the procedure for delinquent tax sales when delinquent taxes are owed to both a county and a municipality.

<sup>2</sup>T.C.A. § 67-5-2507(b)(6) - (8).

<sup>3</sup>T.C.A. § 67-5-2507(b)(9) - (10).

<sup>4</sup>T.C.A. § 67-5-2509. For provisions dealing with a political subdivision purchasing property at a tax sale, see T.C.A. § 67-5-2508.

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