



FAIRBANKS NORTH STAR BOROUGH

TAX FORECLOSED PROPERTY SALE

AUGUST 15, 2009

TAX FACTS

Q. What is the tax foreclosed property sale?

- A. The tax foreclosed property sale is a sale of real properties which have been deeded to the Fairbanks North Star Borough as a result of delinquent real property taxes. The legal procedures for the Fairbanks North Star Borough to acquire tax-deeds and hold a tax foreclosed property sale are provided in Alaska Statutes (A.S. 29.45).

Q. When and where will the tax foreclosure sale be held?

- A. The tax foreclosed property sale will begin at 9:00 A.M. on Saturday, August 15, 2009. It will be held in the Assembly Chambers of the Fairbanks North Star Borough Administrative Office, located at 809 Pioneer Road.

Q. Who may participate in this sale?

- A. Any person who is capable of legally holding title to real property, and free of any delinquent property taxes.

Q. How can property be purchased during this sale?

- A. The Tax Foreclosure Sale is two-part; 1) Sealed Bid and 2) Outcry Auction. Bidders submit sealed bids the week prior to the Sale. On Sale Day, the bids are opened and awarded to the highest bidder, and then properties that do not receive a sealed bid are offered in the Outcry Auction. The minimum bid is the same for each and consists of back taxes, interest and penalty owed on the property and the administrative costs associated with foreclosure and sale.

Q. How can I submit a Sealed Bid for a property offered during this sale?

- A. Bid packets can be picked up at the Department of Land Management, Second Floor, Fairbanks North Star Borough Administrative Office beginning Monday, August 3, 2009. Bids will be accepted beginning at 8:00 A.M. Monday, August 10, 2009 through 5:00 P.M. Friday, August 14, 2009. Detailed instructions on how to submit a bid will be included in the Bid Packet. **MAIL-IN BIDS WILL NOT BE ACCEPTED. BID PACKETS MUST BE HAND DELIVERED.**

Q. How can I obtain a bidders card for the Outcry Auction portion of the sale?

- A. Bidders cards can be purchased at the Department of Land Management, Second Floor, Fairbanks North Star Borough Administrative Office from 8:00 A.M. Monday, August 10, 2009 through 5:00 P.M. Friday, August 14, 2009. The cost of a bidder's card is \$250.00. This amount must be in the form of cash, cashiers check or money order.

Q. *What guarantees do I have concerning these properties if I should be a successful bidder?*

- A. NONE. The Fairbanks North Star Borough does not guarantee title of any kind for properties purchased at the tax sale. Title insurance may not be available for these properties. If you need to have the title to this property insured, you should consult a title company prior to bidding to determine whether title insurance will be available. Additionally, the Fairbanks North Star Borough does not guarantee the suitability for any particular use whatsoever on any of these properties.

Q. *What kind of deed will be issued?*

- A. A Tax Foreclosure Sale Deed.

Q. *How can I find out more information about the properties to be sold?*

- A. Properties to be sold are located throughout the Borough and include vacant land and properties with improvements. Information regarding the properties, general location, names of former record owners and minimum bid will appear in the Fairbanks Daily News Miner beginning Sunday, June 14, 2009. A list of the properties for sale and detailed property information is available at the Department of Land Management in the Fairbanks North Star Borough Administrative Office. In a sale of this nature, the former record owners have the right to repurchase their property until the close of business (5:00 P.M.) on Friday, August 14, 2009. For the most up-to-date information about available properties contact Tami Sheehan or Dawn Hellickson at the Department of Land Management 459-1241.

Q. *How can I inspect the property?*

- A. The Borough encourages you, the bidder, to personally inspect these properties before submitting a bid, however;

The Borough advises you that there may be people living or conducting business on the property. You should not enter a structure without the occupant's permission. If you are allowed to walk through the structure, please be courteous.

If a structure appears abandoned, you should still knock before entering. If the doors are locked and there is no easy way of entering the structure, **forced entry is not authorized.**

If you are unable to fully inspect a property before preparing your bid, then you may either refuse to bid or you may submit your bid without the inspection.

**INSPECTIONS OF THESE PROPERTIES ARE DONE
AT YOUR OWN RISK!**

Q. What happens if my bid should be the winning sealed bid?

- A. You or your representative must be present to accept the winning bid. If no one is present to accept the winning bid, that bid deposit is forfeited, and the person with the second highest qualified bid will have an opportunity to accept the property. Your 25% bid deposit will be credited toward the purchase price. High bidders have three (3) working days (August 19, 2009 at 5:00 P.M.) in which to pay the balance of their bids for the properties. If the balance is not received within the three (3) days, the down payment is forfeited and the property is offered to the next highest bidder.

Q. If I am not the successful bidder, how soon can I get my deposit back?

- A. Immediately following the sale, deposits will be returned to low bidders or their representatives (with power of attorney) upon presenting picture identifications. Deposits not claimed at the time of sale may be picked up at the Department of Land Management, Monday through Friday, 8:00 A.M. to 5:00 P.M.

Q. What is a Limited Liability Report issued by a title company?

- A. This is a report used by the Fairbanks North Star Borough showing all parties to whom notice is required under A.S. 29.45 prior to foreclosure. These reports reflect parties with a financial or other interest in the property and are available for review; however it should be understood that they are **NOT** to be used for the purpose of closing a transaction that will affect title to said property. It is recommended that potential bidders consult a title officer regarding matters of record which are important to them.

Q. What happens to tax liens which appear against a property?

- A. Prior recorded tax liens of the state and federal government remain a lien against the property and are not extinguished by the FNSB's tax foreclosure sale to a third party. If you wish to negotiate with the IRS regarding possible discharge of their liens, contact Jill Pace, Technical Support Advisor, 206-220-5532.

All property is offered for sale "as-is", "where-is" without recourse against the Fairbanks North Star Borough. No representation or warranty, expressed or implied, is made as to the validity of the title, size, dimension, or condition of any property, or its suitability for any use or purpose whatsoever. The Fairbanks North Star Borough accepts **no** responsibility for personal property on the premises at any time.

FNSB personnel are not allowed to give you legal advice or interpret title documents. The FNSB urges you to consult various professionals, including but not limited to, the US Army Corps of Engineers, Alaska Department of Environmental Conservation, FNSB Community Planning Department, architects, engineers, surveyors, title examiners, or a real estate attorney, before making a decision to bid.

In addition to the above Tax Foreclosure information, the following is a checklist of some things you may want to consider before bidding. This list is not all inclusive. These may or may not *apply* or *cover all aspects* that need to be considered on the property you want to bid on.

CHECKLIST

- ✚ Have you **completely read and understood** the information provided in the Tax Foreclosure books (see the FNSB Department of Land Management– 809 Pioneer Road, 2nd Floor, Borough Administrative Building, Fairbanks, Alaska).
- ✚ **Have you personally inspected the property?** Is the parcel suitable for your anticipated use?
- ✚ Have you considered what to do with properties that are occupied, i.e. enter into a landlord-tenant agreement or evict? Are you familiar with the eviction process – reference Alaska Landlord Tenant Act guidelines?
- ✚ Does the parcel have debris or abandoned vehicles that you wish to remove? If so, have you researched disposal methods, i.e. FNSB Landfill: 459-1482 or Department of Motor Vehicles: 452-1151
- ✚ Are there any easements or other encumbrances on the parcel?
- ✚ Does the zoning of the parcel allow the use you anticipate for it? Is the parcel in a flood zone? Are there use restrictions (covenants) for the parcel in which you are interested? The Department of Community Planning can answer these questions for you. Call them at 459-1260 for more information.
- ✚ Does the parcel have adequate access year around for your vehicle? What provisions will be necessary for a driveway?
- ✚ Is the parcel affected by wetlands? Contact the U.S. Army Corps of Engineers at 474-2166 for information regarding wetlands.
- ✚ Is there *possible contamination or has there been illegal activities* on the property you wish to bid on? If so, have you checked with the Alaska Department of Environmental Conservation or other professionals i.e. local law enforcement agencies in this area?
- ✚ Is there a draft Prospective Purchaser Agreement with the Alaska Department of Environmental Conservation associated with the property you wish to bid on? If so, have you talked with ADEC so that you fully understand all of their expectations and obligations set forth regarding this property and entered into an agreement with ADEC? **NOTE:** THE DRAFT PROSPECTIVE PURCHASER AGREEMENT FOUND IN THE COUNTER BOOK IS NOT EFFECTIVE UNTIL YOU OFFICIALLY ENTER INTO THE AGREEMENT WITH ADEC. FURTHERMORE, ANY PROSPECTIVE PURCHASER AGREEMENT IS **BETWEEN YOU AND ADEC**. THE BOROUGH IS **NOT** A PARTY TO YOUR AGREEMENT.