



**BREVARD COUNTY
TAX COLLECTOR'S OFFICE**

WWW.BREVARDTAXCOLLECTOR.COM

**BROCHURE FOR:
TAX CERTIFICATE SALES
GENERAL TAX CERTIFICATE INFORMATION**

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WHEN DO REAL ESTATE TAXES BECOME DELINQUENT?

Real estate taxes become delinquent April 1st each year. Example: 2009 taxes became delinquent April 1, 2010. At that time, 3% is added to the gross amount.

HOW ARE DELINQUENT TAXES ADVERTISED?

A list of all real property with delinquent taxes is advertised in a local newspaper once a week for three consecutive weeks immediately preceding the tax certificate sale. The advertisement begins with property located in the north end of the county, in parcel ID order, to the south end of the county. The advertisement also specifies the place, date, and time of the Tax Certificate Sale. Due to payments received after the list is first prepared for publication, the newspaper will list more items than will be sold. The amount advertised is the amount due for purchase of each certificate.

WHAT IS A TAX CERTIFICATE?

On or before June 1st of the same year the taxes become delinquent, the Tax Collector holds a public sale of tax certificates on all parcels on which taxes have not been paid. The cost to purchase a certificate is listed beside each parcel in the delinquent advertisement. This cost includes gross tax, interest, advertising cost, and the cost of the Tax Certificate Sale.

A tax certificate represents a first priority tax lien on real property; it does not convey title to the land. Purchasing a tax certificate does not entitle the certificate buyer to enter the property, nor contact or harass the owner in any manner. Tax certificates are investments and **NOT** a deed to the property.

Effective October 1, 1998, per chapter 98-167, Section. 3, Laws of Florida and F.S. Statute 197.432(14), certificate holders are prohibited from contacting property owners to encourage or demand payment until two years after April 1st of the year of issuance of the tax certificate. A certificate holder can be barred from bidding at our tax certificate sale for initiating such contact.

WHAT IS A TAX CERTIFICATE SALE?

The Tax Certificate Sale is conducted pursuant to Florida Statutes and DOR Rules & Regulations. The Brevard County Tax Certificate Sales are currently held over the internet with our tax sale vendor. The tax certificate sale is **NOT** a sale of land, but the sale of a lien against the property. Purchasing a tax certificate does **NOT** entitle the certificate buyer to enter the property, nor contact or harass the owner in any manner. Tax Certificate Sale information may vary from sale to sale and interested parties are encouraged to review our website for current tax sale information, go to www.brevardtaxcollector.com and then select the "Purchase County Certificates" icon.

WHAT INTEREST RATES ARE APPLICABLE?

The **maximum** interest the law allows an individual to collect on a tax certificate is 18% per annum, simple interest. The minimum interest received by the purchaser is 5% unless bid at zero [Florida Statutes 197.472(2)]. On certificates issued at zero percent, no interest will ever be paid on the face amount. Interest starts accruing the month after the certificate issue date.

EXAMPLE: Bid of 18%

June through August	5.00% return
September	6.00% return
October	7.50% return
November	9.00% return
December	10.50% return
January	12.00% return
February	13.50% return
March	15.00% return
April	16.50% return
May	18.00% return

WHAT IF THERE ARE NO BIDDERS FOR A TAX CERTIFICATE?

If there are no bidders for a certificate, it is issued to the County at 18% interest. Currently, county held tax certificates are available for purchase through our tax sale vendor. This information is accessible through our website by selecting the “Purchase County Certificates” icon. Procedures may vary from sale to sale and interested parties are encouraged to review our website for current tax sale information.

HOW ARE TAX CERTIFICATES “REDEEMED”?

In order to clear the property of the tax certificate lien, the property owner must pay the amount of the tax certificate plus the rate of interest at which the certificate was sold, calculated from the month of the sale to the month of redemption. When a tax certificate is redeemed, on or after June 1st, a \$6.25 redemption fee is also charged. After redemption, the certificate holder receives the amount invested plus interest and is responsible for noting that the certificate is “paid” on his/her certified listing. Certificates bid at 0% interest DO NOT accrue interest. The payor’s remittance releases the tax lien, and the certificate holder has no further claim on the property. Interest earned is taxable and must be reported to the IRS. Each January, an IRS 1099-INT form is sent to each certificate holder for interest earnings in the previous year (Chapter 197.472 Florida Statutes).

WHAT HAPPENS IF THE CERTIFICATE IS NOT REDEEMED?

If the certificate is not redeemed within two years from the date of delinquency in the year the certificate was issued, the certificate holder may apply for a tax deed, and bring the land to sale at public auction. Example: 2007 taxes became delinquent on April 1, 2008; therefore, a tax deed application may be made after April 1, 2010. A certificate holder who wishes to apply for a tax deed must redeem all other certificates and pay other fees as mandated by state law. Certificate holders must make tax deed applications through our tax deed vendor. This information is accessible through our website by selecting the “TDA Applications” icon.

CAN TAX CERTIFICATES BE CANCELLED?

In the event of an error in a tax certificate, it can be cancelled or corrected by the authority of the Department of Revenue. In this case, 8% interest per annum will be paid, except as revised by law or court order (1998 or prior). Effective October 1, 1998, per Chapter 98-167, Section 3, Laws of Florida and F.S. Statute 197.432(11) and applicable to tax certificates sold after that date; refunds on void or corrected tax certificates will earn interest at the rate of 8% or the rate of interest bid at the tax certificate sale, whichever is less.

A tax certificate may also be cancelled if it is learned after the sale that a pre-existing stay order from the Bankruptcy Court was in effect on or before June 1st. In that case, the amount paid for the certificate will be refunded. In the event of a bankruptcy proceeding initiated after the sale of the lien, there are no guarantees – the United States Bankruptcy Court judge will determine the amount, if any, the certificate holder will receive.

CAN TAX CERTIFICATES BE SOLD OR TRANSFERRED?

Tax certificates may be sold and/or assigned to another party. Assignment forms are available upon request from the Tax Department (321) 264-6905 or on our website. All tax certificate transfers **MUST** be recorded in the Tax Collector’s Titusville Office. There is a \$2.25 fee for recording each assignment in the official records. In addition, the new owner will need to register with our tax certificate vendor. When an assigned certificate is eventually redeemed, the total accumulated interest from the original date of issuance is reported to the IRS under the present certificate holder’s social security/Federal tax ID number, regardless of the date of transfer.

WHAT IS THE LIFE OF A TAX CERTIFICATE?

The life of a tax certificate is seven years from the date of issuance, which is the first day of the sale as advertised. If the certificate holder does not apply for a tax deed within the seven years, the tax certificate is not redeemed, and no other administrative or legal proceeding has existed, the certificate is null and void and the certificate holder is out their initial investment (Florida Statute 197.482). Please note that if the last day falls on a weekend it will become void on the last working day.

IS THIS A RISK FREE INVESTMENT?

Certificate buyers need to be aware that **there are inherent risks involved with buying tax certificates**, and those risks are borne solely by the certificate holder. As with any investment, there is an element of risk. The following are **examples of possible risks** to consider:

1. Corrections to the original taxes levied which would decrease the certificate value or cancel the certificate, the law provides for the portion in error to be refunded to the certificate holder with 8% interest or rate of interest bid, whichever is less, per annum, calculated monthly to the date of cancellation or correction.
2. If the assessed value drops significantly in subsequent tax years, it may cost more to bring the property to sale than the value gained by owning the property.
3. Upon notification that a property owner has filed bankruptcy, we are stayed from issuing tax certificates for the current year or processing a tax deed application. No further action can be taken until the bankruptcy case is closed. We are governed by the Bankruptcy Court as to final settlement of outstanding taxes or tax certificates. For instance, the Bankruptcy Court can lower the interest rate and order payments to be made over a five-year period. We do not provide legal representation to a certificate holder. The life of a tax certificate is extended for the length of time the property owner is in bankruptcy.
4. In addition, the Soldiers' and Sailor Civil Relief Act limits penalty and interest not to exceed 6% per year and does not allow a tax deed sale to occur while the person is on active duty in the military. This means that if you purchase a certificate, the interest rate can be lowered to 6%, if the property owner qualifies under this act. Certificate holders will receive notification of this action.

HOW CAN I APPLY FOR A TAX DEED?

Only one certificate is necessary to bring property to sale for a tax deed. If a certificate is not redeemed within two years from the date the taxes became delinquent; the certificate holder may apply for a tax deed, and bring the land to sale at a public auction. Example: 2007 taxes are delinquent April 1, 2008; therefore, a tax deed application may be made after April 1, 2010. Certificate holders who apply for a tax deed must pay the Tax Collector the amounts required for redemption of all other outstanding certificates, plus interest; any omitted taxes, plus interest; any delinquent taxes, plus interest; and current taxes, if due; and other fees as mandated by state law (including a title search fee and a Tax Collector fee). The Clerk's Office will notify the applicant of the fees due for each application. Tax deeds are applied for online through our website by selecting the "TDA Applications" icon. For further information on tax certificates, please contact Brevard County Tax Collector's Office, 321-264-6969.

WHAT IS A TAX DEED SALE?

A tax deed sale is the sale of property at public auction for back taxes and fees associated with bringing the property to sale. Florida Statutes provides that the Clerk of the Circuit Court is responsible for the administration of tax deed sales. For further information regarding tax deed sales, contact the Clerk of Circuit Court or review the information on the Clerk's website, www.brevardclerk.us.