

GOVERNMENT OF THE DISTRICT OF COLUMBIA

OFFICE OF THE CHIEF FINANCIAL OFFICER
OFFICE OF TAX AND REVENUE



**NOTICE TO TAX SALE PURCHASERS
CONCERNING REDEMPTIONS**

Date: July 10, 2002

1. Duty to foreclose upon the right of redemption.

Pursuant to D.C. Official Code § 47-1355(a)(1), the tax sale purchaser must bring an action to foreclose upon the right of redemption after six months, but no later than one year, from the date of the certificate of sale. For the July 2001 tax sale, the date on the certificate of sale is July 20, 2001. Therefore a court action must be filed by July 19, 2002.

2. Pre-complaint redemptions

After an owner (or other party in interest) has paid the taxes and \$322 pre-complaint expense owing by the real property, the real property shall be deemed to be redeemed¹ (the expense for recording the certificate of sale, if applicable, is \$22). In reliance upon the redemption, the tax sale purchaser shall not be required to file a court action to maintain the validity of the certificate of sale, provided that the redemption occurred on or before July 19, 2002. The tax sale purchaser may rely upon the Web site maintained by the District of Columbia on behalf of the Office of Tax and Revenue to state whether the real property has been redeemed, and a hard-copy of the relevant report relating to the real property indicating a zero balance owing should be maintained by the tax sale purchaser.

In the event a redemption is noted on the Web site as a result of a bad check, the statute of limitations imposed by D.C. Official Code § 47-1355(a)(1) is subject to tolling under the common law of the District of Columbia. The Office of Tax and Revenue considers a bad check to be at least a misrepresentation on the part of the payor, if not fraud punishable under D.C. Official Code § 22-1510. In the event of a bad check, the statute is tolled until the purchaser has had a reasonable amount of time to discover the non-redemption by a re-posting of the balance due on the Web site. Therefore, the tax sale purchaser who has not been refunded monies owing to him/her as a result of a “redemption” must exercise due diligence by monitoring the Web site, and he/she must be ready to continue with filing the court action in the event a bad check was received.

¹ The term “redeem” is used for simplicity. No real property is redeemed unless the real property is brought current and allowable purchaser expenses are paid. See D.C. Official Code § 47-1361.

To analyze the law in the District on the effect of a misrepresentation or fraud with respect to the tolling of a statute of limitations, please review the following cases:

Keener v. Walker, 256 A.2d 779, 781 (D.C. App. 1969);
King v. Kitchen Magic, Inc., 391 A.2d 1184, 1186 (D.C. App. 1978);
Richards v. Mileski, 662 F.2d 65, 70 (D.C. Cir. 1981); and
Friedman v. Manfuso, 620 F. Supp. 109, 114-15 (D.C. 1985).

3. All redemptions

After a payment is received and after notice of same by the Office of Tax and Revenue to the tax sale purchaser, the tax sale purchaser must surrender the certificate of sale to the Office of Tax and Revenue in order to receive the refund. *See* D.C. Official Code § 47-1361(d). By surrendering the certificate of sale, the tax sale purchaser is stating that he/she is claiming a refund and that no expenses (excepting the specifically claimed and actually incurred \$322 pre-complaint expense) are owing. Thus, the property was properly redeemed by the payment. After surrendering the certificate of sale, the tax sale purchaser shall receive the amount to which he or she is entitled under D.C. Official Code § 47-1361(d).

4. \$22 certificate of sale recordation expense.

For those real properties on whose behalf redemption payments were made before complaints were filed in court, the Office of Tax and Revenue will refund to those tax sale purchasers the uncollected \$22 expenses; provided that those tax sale purchasers have not, as of yet, surrendered the certificates of sale for refunds and have actually incurred the \$22 expense. Those tax sale purchasers must not incur additional expenses on the theory that a real property has not been redeemed due to non-payment of the \$22 expense that was not included on the real property tax bill.