

Blight Fact Sheet: Tax Sale Process

The City of Knoxville has been conducting tax sales for many years. Starting in 2010, the City of Knoxville and the Knox County Trustee's Office formally agreed to "join" each other's tax sales, which simply means that taxes from both entities are collected through the tax sale process.

Purpose of Tax Sale Auctions:

- Last resort to collect delinquent taxes
- Force a change in ownership
- Neither City or County interested in acquiring properties
- Properties in a tax sale are distressed and will typically become more distressed during the lengthy process
- Redemption period and type of deed issued complicate properties productivity

Tax sale Auctions are a Legal Process:

- The first step is to identify properties to be auctioned
 - More than 96% property owners pay their taxes current
 - Must be at least 3 year delinquent
 - Selection based on number of years and dollar amount owed
 - Group properties with same ownership
 - Neighborhood complaints considered
- Those selected notified via letter
- A title search is completed to identify all interested parties
- Notification sent to all interested parties, including lien holders
- Service of Process
 - As the court proceeding continues we are required to personally serve anyone who has an interest in the property
 - Those located outside of Knox County are served via Certified Mail
 - At least 2 attempts are made to personally serve
 - Anyone not personally served are Served by Publication
 - Post signs on the selected properties
- Legal notification sent to owners and interested parties throughout court process
- Ongoing communication with owners, where applicable, to determine occupancy and or any extenuating circumstances relating to the sale of the property
- Publication made in the Knoxville News Sentinel 30 days prior to sale

Day of Sale:

- The City makes the opening bid, which includes both City and County taxes through the required year plus the costs of the sale, including Chancery Court fees and commission.
- Any interested party can raise the bid
- If no one else bids then the City will acquire the property
- All properties are subject to a one year redemption period