

Tax Foreclosure FAQs

What does Caldwell County do with delinquent tax bills?

When a tax bill becomes delinquent, the Tax Office tries various methods to notify the taxpayer and potential owners about the delinquent bill to see if the bill can be collected without the extreme remedy of foreclosure. If the pre-foreclosure methods fail, the Tax Office may assign parcels to an attorney to commence foreclosure proceedings.

Can you pay someone's delinquent taxes and become the owner of the property?

No, paying someone else's taxes will not entitle you to any legal ownership of the property.

Do you have to be a certain number of years delinquent before the Foreclosure process begins?

No, current year taxes may be collected by foreclosure; however, the county attempts other means of collection first.

What happens when owners of property that a foreclosure has begun cannot be notified?

General Statute provides that a party "that cannot with due diligence be served by personal delivery, registered or certified mail, or by a designated delivery service may be served by publication." Service by publication consists of publishing a notice of service of process for three successive weeks in a newspaper qualified for legal advertising. Publication is required to be made only in the county in which the action is pending.

What are the types of tax foreclosure?

1. In-Rem Foreclosures: The Tax Department and the County Attorney will handle all aspects of the foreclosure proceedings. More information on this style of foreclosure can be found by reviewing the general statute (G.S. 105-375).
2. Mortgage Style: The Tax Department refers the account to an attorney who will handle all aspects of the foreclosure proceedings. The tax liens on real property in North Carolina are subject to foreclosure in a manner similar to bank foreclosures. More information on this style of foreclosure can be found by reviewing the general statute (G.S. 105-374).

Other helpful information regarding Tax Foreclosures

Notice of Sale: All sales will be advertised in a newspaper that meets the requirements of general circulation as required, prior to the sale date. Additional information may be posted on the County's website to assist with advertising the sale and opening bid.

Location of Sale: Foreclosure sales will be handled by a public auction on the front steps of the county courthouse, scheduled at the discretion of the assigned commissioner conducting the sale. Sales will be made to the last and highest bidder and each property will be sold "as is" and without warranty. Each sale may be subject to further outstanding taxes and any local improvement assessments against the property not included in the judgment.

Bidding on an Auctioned Property: You may bid on any property by attending the sale on the courthouse steps the day the sale is to take place. The price for each property has an Estimated Opening Bid. This is the approximate amount required for the opening bid. The person conducting the sale will announce the opening bid for each property at the time of sale. The high bidder must make a deposit in the amount of ten percent (10%) of their bid, by official bank check, payable to the commissioner appointed by the court to conduct the foreclosure sale, immediately after the bidding is concluded. The high bidder will be given time to go to the bank and obtain the official check. The balance of the bid amount must be paid at the conclusion of the upset bid process, which is described below.

Current Bid: The current bid on the property is subject to an increased bid, or upset bid, for a period of ten (10) days. If the tenth day is a weekend or a holiday the bid remains open through the next business day. However, the owner of the property being foreclosed retains the right to redeem the property during this ten (10) day period.

Upset Bid Process: A person interested in making an increased bid should go to the Office of the Clerk of Court in the Caldwell County Courthouse. The increased bid must exceed the current bid by five percent (5%) or \$750.00 whichever is greater. To make an increased bid, a bid form will need to be filled out, and a deposit of five percent (5%) of the amount of the new high bid, or a minimum of \$750.00, must be delivered to the Clerk of Court by cash or certified funds. Each time an upset bid is placed, the ten (10) day period will start over. The bidding ends when there are no additional bids made within a ten (10) day time period.

****North Carolina does not sell Tax Liens or Tax Certifications****