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NOTICE OF FINAL RULEMAKING

The Office of Tax and Revenue (OTR) pursuant to the authority set forth in D.C. Official Code § 1-204.24c, as amended by Section 155 of the District of Columbia Appropriations Act of 2001, approved November 22, 2000, (114 Stat. 2476; Pub. L. 106-522) and the Office of the Chief Financial Officer, Financial Management and Control Order No. 00-5, effective June 7, 2000, hereby gives notice of regulations adopted on a final basis, to amend the Taxation and Assessment Regulations, District of Columbia Municipal Regulations (9 DCMR).

The new amendments to Chapter 3 of Title 9 DCMR "Real Property Tax Sales," clarify certain provisions in the new Chapter 13A, Revised Real Property Tax Sales, in the Tax Clarity Act of 2000 (D.C. Law 13-305), as amended, and provide citizens with rules regarding the administrative process for tax sale purchases; actions incidental to the initiation of a foreclosure action in the Superior Court of the District of Columbia; rules and prerequisites to begin the processing of a Redemption Refund and the collection of the reimbursable Pre-Complaint Legal Expenses and Redemption Refund prior to the initiation of a foreclosure action in the Superior Court of the District of Columbia; rules and prerequisites for payment of subsequent real property taxes made by the tax sale purchaser; rules and prerequisites to qualify the property for redemption after the initiation of an action in the Superior Court of the District of Columbia to foreclose the owner's right to redeem; rules and prerequisites to be followed to collect the Redemption Refund after the initiation of a foreclosure action in the Superior Court of the District of Columbia; rules and prerequisites to be followed by the tax sale purchaser for the issuance of a Tax Deed; rules and prerequisites for Cancellation of a Certificate of Sale; rules and prerequisites to be followed when a Certificate of Sale is void based on failures by the tax sale purchaser, and/or invalid from the date of sale based on administrative failures; rules and prerequisites to be followed for Assignment of the Certificate of Sale; and rules and prerequisites to be followed to release a Certificate of Sale filed with the Recorder of Deeds using a Certificate of Redemption or a Praecipe of Dismissal.

Notice of the Emergency and Proposed Rulemaking was published in the June 6, 2003 edition of the D.C. Register, at 50 DCR 4456. This Final Rulemaking, as set forth below, becomes effective upon publication in the D. C. Register. Comments were received regarding these proposed rules. The text of these final rules is in substance identical to the text of the Notice of Emergency and Proposed Rulemaking. Specifically, the "applicability date" was changed to clarify the

intent of the Emergency and Proposed Rulemaking; the definition of "reasonable attorney's fees" was omitted to avoid confusion; and the rules for the Assignment of a Certificate of Sale were clarified.

Chapter 3 ("Real Property Sales") of Title 9 of DCMR is amended to add new Section 316 to read as follows: [*758]

Section 316 Real Property Tax Sale Redemption and Tax Deed Issuance Rules.

316.1 This section shall apply to any tax sale conducted in July 2003, and supercedes the effective date of June 2, 2003 stated in the Emergency and Proposed Regulations published on June 6, 2003 and expired on September 29, 2003.

- (a) The previous Section 316 titled "Sale of Property for Delinquent Taxes," was repealed by publication in the *DC Register* on July 20, 2001, see 48 DCR 6449. These regulations replace those earlier regulations and apply as Real Property Tax Sale Redemption and Tax Deed Issuance Rules.
- (b) All section references herein designated with a "§ " are references to the D.C. Official Code (DC Code, 2001). All section references herein designated with the use of the word "section" are references to sections of the regulations in 9 DCMR.
- (c) This section shall also apply, nunc pro tunc, from September 29, 2003, to each sale of real property conducted thereafter under D.C. Code § 47-1330, *et seq.*

316.2 These are actions incidental to the initiation of a foreclosure action in the Superior Court of District of Columbia.

- (a) To redeem a property prior to the initiation of a foreclosure action in the Superior Court of the District of Columbia, a real property owner shall meet the following conditions:
 - (1) Pay all taxes, assessments, fees, penalties, interest and other costs levied by a Taxing Agency against the real property.
 - (2) Pay the reimbursable Pre-Complaint Legal Expenses the tax sale purchaser has incurred prior to the initiation of a foreclosure action in the Superior Court of the District of Columbia;
 - (3) Pay all liens sold to a Third-Party Assignee; provided that, in the case of liens sold by the District TLC Trust, 1996, if the assignee did not commence an action in the Superior Court of the District of Columbia to foreclose upon such liens on or before September 30, 2002, then payment shall be made to the District. [*759]
 - (4) The owner shall make all payments (except expenses owing to the purchaser) to the District in the manner provided in this section and the tax sale purchaser shall not accept any payment (except Post-Complaint Legal Expenses). Pre-Complaint Legal Expenses are collected by the District, and reimbursed to the tax sale purchaser. The tax sale purchaser shall not include Pre-Complaint Legal Expenses in Post-Complaint Legal Expenses.
 - (5) Redemption does not occur until all taxes, assessments, penalties, interest, fees, and other costs have been made current, and the reimbursable Pre-Complaint Legal Expenses have been satisfied in full.
 - (6) Any lien sold at tax sale and any subsequent payments made by the tax sale purchaser shall continue to accrue interest until all taxes, assessments, penalties, interest, fees and other costs assessed against the property by a Taxing Agency have been paid in full, and the Pre-Complaint Legal Expenses satisfied.

(7) The owner of a property, subject to a tax lien assigned by the District TLC Trust, 1996 shall satisfy said tax lien by certified check, cashier's check or money order. The payor shall retain a copy of the paid receipt issued by the Third-Party Assignee and a copy of the certified check, cashier's check or money order (as applicable) as proof of satisfaction of the lien. However, if the lien is subject to Forfeiture, payments are made to OTR.

(8) To stop further adverse actions to enforce collection of the lien sold at tax sale, the property owner shall provide OTR, with proof of payment of all outstanding taxes, assessments, fees, costs and expenses in the manner provided below:

(A) If the real property owner pays the real property tax and/or Business Improvement District (BID) tax by cash payment, the property owner shall provide OTR, with:

(1) A copy of the bill reflecting the outstanding taxes, assessments, fees and costs; and

(2) A copy of the paid receipt issued by the bank. The property owner shall indicate on the paid receipt that payment was made by cash.

(B) If the property owner pays the real property tax and/or Business Improvement District (BID) tax by cashier's check, certified check or money order, the property owner shall provide OTR, with: [*760]

(1) A copy of the real property tax bill reflecting the outstanding taxes, assessments, fees and costs; and

(2) A copy of the cashier's check, certified check or money order remitted in payment of the Real Property Tax Bill.

(C) If the property owner pays an assessment, fee and/or other cost assessed by a Taxing Agency by cash payment, the property owner shall provide OTR, with:

(1) A copy of the bill(s) reflecting the outstanding assessments, fees and/or costs assessed by the Taxing Agency; and

(2) The owner shall indicate on the paid receipt issued by the D.C. Treasurer that the payment was made by cash.

(D) If the property owner pays the assessment, fee and/or other cost assessed by a Taxing Agency by cashier's check, certified check or money order, the property owner shall provide OTR, with:

(1) A copy of the bill(s) reflecting the outstanding assessments, fees, and/or other cost assessed by the Taxing Agency;

(2) A copy of the paid receipt issued by the D.C. Treasurer; and;

(3) A copy of the cashier's check, certified check or money order remitted in payment of the assessment, fee and/or other cost assessed by the Taxing Agency.

(E) For payment of third-party liens filed pursuant to Foreclosure on or before September 30, 2002, by a real property owner who satisfies a lien that was sold to a Third-Party Assignee, the real property owner shall provide OTR, with:

(1) A copy of the Payoff Statement reflecting the principal amount of the lien, accrued interest and other allowable costs; [*761]

(2) A copy of the cashier's check, certified check or money order remitted to the Third-Party Assignee in payment of the lien; and

(3) A copy of the receipt issued by the Third-Party Assignee, or by OTR in the case of Forfeiture by the assignee.

(9) The bills for taxes, penalties, interest, assessments, fees, costs and expenses (including liens sold to a Third-Party Assignee) may include, but are not limited to:

(A) Real Property Tax Bill;

(B) Public Space Rental Bill;

(C) Business Improvement District (BID) Tax Bill;

(D) Special Assessments Bill;

(E) Nuisance Tax Bill (including Clean City fees);

(F) Water and Sewer Bill;

(G) Payoff amounts for liens sold to a third party assignee; and

(H) Any other bill or statement issued by taxing agency for the collection of taxes, assessments, fees or costs assessed against real property.

(10) If real property taxes and/or Pre-Complaint Legal Expenses are due and owing against the real property, the property owner shall obtain a bill from the appropriate Taxing Agency.

(11) If assessments, fees and/or other costs levied by a Taxing Agency are due and owing against the real property, the property owner shall obtain a bill from the appropriate Taxing Agency.

(12) If the real property tax lien has been sold to a Third-Party Assignee, the property owner shall obtain a Payoff Statement from the Third-Party Assignee. If the tax lien was forfeited to the District, OTR shall issue a bill for the collection of the forfeited tax lien.

(b) The purchaser shall provide notice of the filing of the action to Foreclose the Right of Redemption in the Superior Court of the District of Columbia, by filing of a notice of the pendency of the action (*lis pendens*), within 30 business days, in the Office of the Recorder of Deeds, pursuant to DC Code § 42-1207 *et seq.*

316.3 These are rules and prerequisites to begin the processing of a Redemption Refund and the collection of the reimbursable Pre-Complaint Legal Expenses and Redemption Refund prior to the initiation of a Foreclosure action in the Superior Court of the District of Columbia.

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(A) To begin the processing of a Redemption Refund, the property must have been Redeemed in accordance with the requirements set forth in the section 316.3 or the tax sale must have been cancelled in accordance with the requirements set forth in the section 316.

(B) Upon notification from OTR or information obtained from the records of OTR, that all taxes, assessments, fees and charges have been paid to Redeem the property, the tax sale purchaser shall surrender the Certificate of Sale to OTR, at the address provided on the Certificate of Sale.

(C) Upon receipt of the Certificate of Sale, OTR shall process the Redemption Refund.

(D) The Redemption Refund shall be comprised of the amount paid at tax sale including any Surplus. Interest shall be paid at a rate of 1 1/2 percent per month or part thereof on the amount paid at tax sale that represents the delinquent tax. Interest shall not be paid on the Surplus.

(E) Interest shall begin to accrue the first month after the date of the tax sale and shall cease to accrue on the date of redemption or cancellation.

(F) To collect the reimbursable Pre-Complaint Legal Expenses, the tax sale purchaser shall provide the following information upon notification that the property owner has Redeemed.

- (1) A copy of the paid receipt issued for the rendering of the Pre-Complaint Legal Expenses; and
- (2) An affidavit or a statement from legal counsel attesting to the fact that the Pre-Complaint Legal Expenses were rendered;

(G) The documentation required in section 316.4(f) shall be provided to OTR at the address on the Certificate of Sale.

(H) Upon receipt of the documentation required in section 316.4(f), OTR shall process the refund of the Pre-Complaint Legal Expenses. Interest shall not be paid on the Pre-Complaint Legal Expenses.

316.4 These are rules and prerequisites for payment of the subsequent real property taxes made by the tax sale purchaser.

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(a) The tax sale purchaser shall pay the Tax Sale Purchaser's Bill at the Cashier's Office of the DC Treasurer. Once payment has been remitted, the tax sale purchaser shall immediately provide OTR, with a copy of the paid receipt issued by the Cashier's Office of the DC Treasurer and retain a copy of the receipt for the tax sale purchaser's record.

(b) Any payment made against the Real Property Tax Bill that is not a Tax Sale Purchaser's Bill shall be applied to the real property taxes due and owing against the property as if the payments were made by the property owner. The tax sale purchaser shall not receive credit for any payment of subsequent real property taxes unless payment is made on a Tax Sale Purchaser's Bill in the manner provided in sections 316.5(a) and (b).

(c) Any payments made by a tax sale purchaser pursuant to a Tax Sale Purchaser's Bill shall be applied to the real property tax account at the time a Tax Deed is issued to the tax sale purchaser.

(d) The tax sale purchaser shall be liable for the Statutory Interest and penalty due at the time of payment.

316.5 These are rules and prerequisites to qualify the property for redemption after the initiation of an action in the Superior Court of the District of Columbia to foreclose the owner's right to redeem.

(a) To qualify the property for redemption, the real property owner shall pay in full the following:

- (1) All taxes, assessments, fees, costs and expenses levied by a Taxing Agency;
- (2) The reimbursable Pre-Complaint Legal Expenses;
- (3) All liens that have been sold to a Third-Party Assignee; and
- (4) All expenses incurred as a result of the initiation of an action in the Superior Court of the District of Columbia to foreclose the owner's right to redeem by the tax sale purchaser at the July 2003 tax sale or tax sale occurring thereafter, as authorized under D.C. Official Code § 47-1377(a)(2).

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- (c) Upon notification that the property owner is attempting to Redeem, OTR, may request a Payoff Statement from the tax sale purchaser that indicates all expenses incurred as a result of the initiation of a foreclosure action in the Superior Court of the District of Columbia.
- (d) Within 10 business days of a request for a Payoff Statement made by OTR, the tax sale purchaser shall provide the property owner and OTR, with a Payoff Statement reflecting the amount necessary to satisfy the expenses incurred as a result of the initiation of a foreclosure action in the Superior Court of the District of Columbia. If the tax sale purchaser fails to respond to the request for a Payoff Statement, OTR will send a request by certified mail to the tax sale purchaser for a Payoff Statement.
- (e) Failure to provide OTR with a copy of the Payoff Statement within 10 business days from the date of the request sent by certified mail may result in the issuance of a Certificate of Redemption to the owner, upon request.
- (f) If there is a dispute regarding the amount to satisfy the expenses referenced in section 316.6(c), the party seeking to redeem the real property must apply to the Superior Court of the District of Columbia for an order fixing the amount of fees, costs and expenses as provided in D.C. Official Code § 47-1377(a)(2). The real property shall not be redeemed until the amount appearing on an order of the court is satisfied in full. The redeeming party shall provide OTR, with a copy of the court order and documentation showing that the amount in the court order has been fully satisfied.
- (g) The property owner shall pay in full the expenses incurred as a result of the initiation and prosecution of the foreclosure action in the Superior Court of the District of Columbia. Payment shall be made to the tax sale purchaser and shall be made in the form of a certified check, cashier's check or money order.
- (h) At the time the property owner pays the expenses as provided in this section, the tax sale purchaser shall provide to the property owner a receipt showing full satisfaction of said expenses.
- (i) If the tax sale purchaser has filed the Certificate of Sale at the Recorder of Deeds, upon redemption as provided in section 316.6(a), the tax sale purchaser shall file a Release of Lis Pendens of the foreclosure action with the Recorder of Deeds.

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316.6 These are rules and prerequisites to be followed to collect the Redemption Refund after the initiation of a foreclosure action in the Superior Court of the District of Columbia.

- (a) The tax sale purchaser shall submit the following documentation to begin the processing of a Redemption Refund provided that all outstanding taxes, assessments, fees, costs and expenses due and owing have been paid or the tax sale was cancelled pursuant to § 47-1366 or void pursuant to § 47-1355:
- (1) Certificate of Sale; and
 - (2) Copy of praecipe that dismisses the foreclosure action and/or copy of the Certificate of Cancellation that cancels the Certificate of Sale; and
 - (3) Receipts showing payments of subsequent taxes pursuant to 316.5; and
 - (4) Proof of payment of Pre- Complaint Legal Expenses
- (b) Upon receipt of the documentation required in subsection (a) of this section, OTR shall process the refund.
- (c) The Redemption Refund shall be comprised of:

(1) The amount paid for the property sold at tax sale, including Surplus and Statutory Interest. Statutory Interest shall be paid on the amount paid at tax sale that represents the amount of the delinquent tax due and owing against the property at the time of the sale. Statutory Interest shall not be paid on the Surplus.

(2) The Pre-Complaint Legal Expenses; and

(3) The amount paid pursuant to a Tax Sale Purchaser's Bill to satisfy the subsequent real property taxes inclusive of Statutory Interest.

(d) The Statutory Interest is paid on the amount of the real property tax delinquency sold at tax sale and accrues at a rate of 1 1/2 percent per month or a part thereof. The Statutory Interest begins to accrue on the date of payment of the subsequent real property taxes and shall cease on the date of cancellation of the tax sale or the date of redemption. [*766]

(e) The Statutory Interest is paid on the amount paid by the tax sale purchaser for the subsequent real property tax and accrues at a rate of 1 1/2 percent per month or a part thereof. The Statutory Interest begins to accrue on the date of payment of the subsequent real property taxes and shall cease on the date of cancellation of the tax sale or date of redemption.

(f) The Statutory Interest on the amount paid to satisfy the subsequent real property tax shall be paid at a rate of 1 1/2 percent per month or part thereof on the base delinquent tax exclusive of penalty. The interest shall begin to accrue on the date of payment for the tax sale certificate and shall cease on the date of redemption.

316.7 These are rules and prerequisites to be followed by the tax sale purchaser for the issuance of a Tax Deed.

(a) To apply for a Tax Deed, the tax sale purchaser shall submit to OTR, (1) a certified copy of the final judgement issued by the Superior Court of the District of Columbia that forecloses the property owner's right of redemption and that orders that the tax sale purchaser shall have the sole right to be issued a Tax Deed.

(b) Upon proper application to OTR for a Tax Deed, the tax sale purchaser shall be issued a Bill for Tax Deed.

(c) The Bill for Tax Deed shall be satisfied no less than 30 days from the date of issuance and may include the following: (1) a Real Property Tax Bill, (2) the web-site print-out indicating all other assessments, fees, costs and (3) payoffs from subsequent and prior year tax sale purchasers.

(d) Payment of the taxes, assessments, fees and other costs due and owing against the property must be made at the time of application for a Tax Deed. Payment may be made in the following ways:

(1) Any Surplus shall be applied to the outstanding taxes, assessments, fees and other costs due and owing against the real property tax. Any balance remaining of the surplus shall appear as a credit on the real property tax account and shall be refunded to the party who made the overpayment only upon receipt of a written request for refund that includes proof of payment; or

(2) If the Surplus is insufficient to pay the total taxes, assessments, fees and other costs due, or in the absence of any Surplus, whatever amount is necessary to pay the total taxes, assessment, fees and other costs shall be paid in the form of cash, certified check, cashier's check or money order.

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(e) If the payment is made by certified check, cashier's check or money order, the tax sale purchaser shall provide OTR with:

- (1) a copy of the certified check, cashier's check or money order remitted in payment of the Bill for Tax Deed;
- (2) a copy of the receipt issued by the bank, the Cashier's Office of the D.C. Treasurer and/or Third-Party Assignee; and
- (3) a copy of the bill from each appropriate Taxing Agency, and/or a copy of the Payoff Statement from the Third-Party Assignee and/or prior year or subsequent tax sale purchaser.

(f) If payment is made by cash, the tax sale purchaser shall indicate on the receipt and provide OTR with:

- (1) A copy of the receipt issued by the bank, Cashier's Office of the D.C. Treasurer and/or Third-Party Assignee indicating payment by cash;
- (2) A copy of the bill from each appropriate Taxing Agency, and/or a copy of the Payoff Statement from the Third-Party Assignee and/or prior year or subsequent tax sale purchaser.

(g) The tax sale purchaser shall forfeit all monies paid for the property at tax sale and any payments made toward the subsequent real property taxes if the tax sale purchaser fails to satisfy the Bill for Tax Deed on or before the due date provided on the Bill for Tax Deed.

(h) The tax sale purchaser shall provide pay-off statements and receipts from prior years and subsequent years tax sale purchasers. Proof of payment includes copies of certified payments and receipts showing that all Taxing Agencies, prior years and subsequent years tax sale purchasers are paid and must include signed releases from the prior years and subsequent years buyer or buyer's representatives that all legal costs are were paid.

316.8 These are rules and prerequisites for Cancellation of a Certificate of Sale by OTR.

(a) A Certificate of Sale shall be cancelled to prevent an injustice to the real property owner.

(b) If a Certificate of Sale is cancelled for any reason, other than for the reason of fraud on the part of the tax sale purchaser, the tax sale purchaser shall be refunded the following:

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- (1) The amount paid for the property sold at tax sale, including Surplus and Statutory Interest;
- (2) The Pre-Complaint Legal Expenses actually paid and properly incurred;
- (3) The amount paid to satisfy the subsequent real property taxes and Statutory Interest.

(c) Statutory Interest is paid on the amount of the real property tax delinquency sold at tax sale and accrues at 1 1/2 percent per month or a part thereof. The Statutory Interest shall begin to accrue on the date of the tax sale and shall cease to accrue on the date of cancellation.

(d) Statutory Interest is paid on the amount paid by the tax sale purchaser for the subsequent real property tax and accrues at a rate of 1 1/2 percent per month or a part thereof. The Statutory Interest shall begin to accrue on the date the subsequent payment was made and shall cease to accrue on the date of cancellation.

(e) When cancelled, OTR shall provide to the tax sale purchaser a Notice of Cancellation of the tax sale.

(f) If the tax sale is cancelled after the initiation of a foreclosure action in the Superior Court of the District of Columbia, the tax sale purchaser shall provide OTR with the following documents upon receiving notification of cancellation of the tax sale:

- (1) A Payoff Statement for the expenses incurred as a result of the initiation of the foreclosure action; and
- (2) A copy of the paid receipt issued for the rendering of services for the initiation of a foreclosure action; or
- (3) An affidavit attesting to the fact that services were rendered for the initiation of a foreclosure action.

(g) The refund provisions of section 316.9(b) shall not apply to legal costs and expenses incurred by the tax sale purchaser when any of the following circumstances would have put the tax sale purchaser on notice to suspend further action to foreclose and to request authorization from OTR to proceed:

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- (1) Where the tax sale purchaser knows, or should have known, of errors in ownership information and/or discrepancies contained in the title report and from other sources;
- (2) Where the tax sale purchaser discovers, or should have discovered, that the property is under the jurisdiction of the Bankruptcy Court;
- (3) Where the tax sale purchaser obtains a title report that discovers, or should have discovered, errors that affect the validity of the Certificate of Sale; or
- (4) Where the tax sale purchaser discovers information from any source that affects the validity of the Certificate of Sale.

316.9 These are rules and prerequisites to be followed when a Certificate of Sale is void based on failures by the tax sale purchaser, and/or invalid from the date of sale, based on administrative failures.

(a) A Certificate of Sale shall be declared void and all payments forfeited to the District for the following reasons:

- (1) Failure to file a complaint to foreclose the right of redemption within one (1) year of the date of the certificate;
- (2) Failure to pay delinquent taxes due and owing the District;
- (3) Failure to prosecute the complaint to foreclose the right of redemption;
- (4) Failure to pay, by the date specified, the amount stated on the Bill for Tax Deed pursuant to the final order of the Superior Court of the District of Columbia;
- (5) Failure to record the deed with the Recorder of Deeds within 30 days of its delivery; or
- (6) Fraud by the purchaser.

(b) The circumstances that may occur that may invalidate a Certificate of Sale from the date of sale, and cancelled according to the rules in section 316.9, including, shall include but is not limited to the following:

- (1) Taxes paid prior to the tax sale;
- (2) Real Estate taxes sold erroneously; [*770]
- (3) Payment applied to incorrect year;
- (4) Property in bankruptcy;
- (5) Payment applied to incorrect square/lot;
- (6) Property is exempt for the period of the delinquency for which it was sold at tax sale;
or
- (7) Any other action taken by OTR that may have inadvertently caused a sale of the real property tax lien.

316.10 These are rules and prerequisites to be followed for assignment of the Certificate of Sale.

(a) The assignee of the Certificate of Sale shall notify OTR in writing of the assignment within thirty 30 days from the assignment of the Certificate of Sale. The assigned Certificate of Sale must meet the following requirements: (1) A written agreement, executed and acknowledged in the same manner as an absolute deed, that contains the assignee's name, address, telephone number, taxpayer identification number, notification of an assignment of the interest in the payment of other taxes and liabilities (subsequent taxes) and the legal identification of the property: (2) the notice of assignment must be signed, sealed and acknowledged by the parties agreeing to the assignment and recorded among the land records in the Recorder of Deeds, to be effective as to any person not having actual notice. Recording of the Certificate of Assignment with the Recorder of Deeds shall not constitute notice to OTR. Actual notice must be sent to OTR.

(b) At the time that OTR receives notice of the Assignment of the Certificate of Sale, an assignee of the Certificate of Sale shall not be delinquent in the payment of any taxes, assessments, fees and/or costs due to the District.

(c) At the time that OTR receives notice of the Assignment of the Certificate of Sale, the assignee of the Certificate of Sale shall submit a completed "Clean Hands Certification for Potential Tax Sale Purchasers and Assignees."

(d) If an assignee of the Certificate of Sale shall be found to be delinquent in the payment of real property taxes, the assignee shall forfeit all monies paid for the assignment of the Certificate of Sale and any monies paid toward the subsequent real property taxes.

(e) Once the Certificate of Sale has been assigned, the assignee becomes the tax sale purchaser of the property associated with the certificate. The assignee shall be bound by all rules and regulations pertaining to a tax sale purchaser including all rules of Forfeiture.

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316.11 These are rules and prerequisites to be followed to release a Certificate of Sale filed with the Recorder of Deeds using a Certificate of Redemption or a Praecipe of Dismissal.

(a) After redeeming the property pursuant to section 316.3, a property owner may request a Certificate of Redemption to be filed with the Recorder of Deeds to cause a release of the Certificate of Sale.

- (b) After redeeming the property pursuant to section 316.6, a property owner may request a Certificate of Redemption to be filed with the Recorder of Deeds to cause a release of the Certificate of Sale or a certified copy of the Praeceptum of Dismissal issued by the Superior Court of the District of Columbia.
- (c) OTR will process a Certificate of Redemption upon receipt of a written request and payment of a \$ 100 fee payable to the D.C. Treasurer.
- (d) Processing time for a Certificate of Redemption shall be no less than 10 business days from receipt of the written request and acceptable payment.
- (e) Upon issuance, a Certificate of Redemption releases the Certificate of Sale and all liens assessed against the property by a Taxing Agency prior to the date of the Certificate.
- (f) A Praeceptum of Dismissal is submitted to the Superior Court of the District of Columbia by the tax sale purchaser may end all legal action to foreclose the owner's right of redemption subsequent to the owner having made all payments required to redeem or the tax sale being cancelled under the statute and regulations.

316.12 These definitions are essential to clarify the tax sale process.

- (a) Assignment of a Certificate of Sale -- The act of transferring all rights acquired in the Certificate of Sale.
- (b) Bill For Tax Deed -- A special tax bill required to be obtained by the tax sale purchaser, after the Superior Court of the District of Columbia has issued a judgment of foreclosure, to pay all taxes, assessments, costs and expenses due and fees owing to the District of Columbia before a tax deed is issued.
- (c) Certificate of Cancellation -- The document issued to cancel the Certificate of Sale. [*772]
- (d) Certificate of Redemption - A document that confirms that all outstanding taxes, assessments, fees, costs and expenses have been paid. This document statutorily releases all liens required to be satisfied to redeem the property. This document also releases any other liens required to be paid in order to redeem.
- (e) Certificate of Sale - A document issued to a tax sale purchaser that evidences that its holder is the purchaser of a tax lien.
- (f) Date of Cancellation -- Date a Certificate of Sale is cancelled.
- (g) Date of Redemption -- The earlier of the date payment of all taxes, assessments, penalties, interest, fees and costs has been posted to the applicable billing system, or the date owner provides OTR with copies of the certified check and paid bank, or applicable agency, receipts confirming payment in full of all taxes, assessments, fees and costs.
- (h) Foreclosure of (or Foreclosing) the Right of Redemption -- An action filed in the Superior Court of the District of Columbia to terminate the interests of the owner in the real property.
- (i) Forfeiture -- The loss of monies paid to the District by a tax sale purchaser; (i) who is delinquent in payment of taxes to the District (DC Code § 47-1346); (ii) who fails to pay the full amount of his bid (DC Code § 47-1347); (iii) who fails to file a foreclosure action within one year of the date of the tax sale certificate (DC Code § 47-1348); (iv) who has a void Certificate of Sale under (DC Code § 47-1355) or, (v) who fails to pay the Bill For Tax Deed within 30 days of the date on the bill; (vi) who fails to comply with the terms of any order of the Superior Court of the District of Columbia in the action

foreclosing the right of redemption, or, (vii) who fails to record the deed within 30 days of its execution (DC Code § 47-1382).

(j) OTR -- Office of Tax and Revenue, Real Property Tax Administration of the District of Columbia.

(k) Payoff Statement -- A document requested by the tax sale purchaser that itemizes the costs and reasonable attorney's fees incurred as a result of filing and pursuing a foreclosure action in the Superior Court of the District of Columbia.

(l) Pre-Complaint Legal Expenses (Reimbursable) -- Expenses incurred before an action is filed to foreclose redemption (limit to \$ 300), plus the recordation fee charged by the District of Columbia to record the Certificate of Sale at the Recorder of Deeds, pursuant to DC Code § 47 - 1377(a)(1)(A) and (B). [*773]

(m) Post-Complaint Legal Expenses (Reimbursable) -- Expenses incurred for personal service of process, service of process by publication, for publication, and posting of all required notices, for postage and reasonable attorney's fees, pursuant to § 47 -- 1377(a)(2).

(n) Real Property Owner -- An owner of record of real property, or a party with a reasonably ascertainable ownership interest in the real property.

(o) Real Property Tax Bill -- The tax bill mailed to a property owner semi-annually for the collection of real property taxes.

(p) Redeem -- The payment of all outstanding taxes, assessments, fees, costs and expenses (including pre-complaint and post-complaint legal expenses) due and owing on the real property.

(q) Redemption Refund -- Comprises the amount paid at tax sale, including statutory interest, surplus paid at tax sale and the reimbursable Pre-Complaint Legal Expenses. This fund shall not be issued unless the property has been Redeemed or the tax sale has been cancelled.

(r) Statutory Interest -- The monthly simple interest amount (1 1/2 percent) paid on the delinquent tax amount paid for the purchase of properties at tax sale.

(s) Surplus -- The portion of the bid for the property that exceeds the taxes, penalties, interest and costs for which the property was sold (as defined in § 47 -- 1330.Definitions).

(t) Tax Deed -- The document that transfers fee simple interest in real property, as described in the Certificate of Sale or the assigned Certificate of Sale, to the tax sale purchaser pursuant to DC Code § 47-1382 and subject to (a) a lien filed by a taxing agency under DC Code § 47-1430(c); (b) the tenancy of a residential tenant (other than a tenant described in DC Code § 47 -- 1371(b)(1)(C) and (D)); and (c) easements of record and any other easement that can be observed by an inspection of the real property.

(u) Tax Sale Purchaser's Bill - A special tax bill requested by the tax sale purchaser to facilitate the payment of current and prior tax liabilities that have not been sold or bid off at tax sale. Payment of these tax liabilities is credited to the Bill for Tax Deed. Interest is tolled for the tax sale purchaser at the date payment is made. Interest continues to accrue for the owner. If the owner redeems the property, payments are refunded to the tax sale purchaser with Statutory Interest. [*774]

(v) Taxing Agency -- for purposes of sections 316.1 through 316.12, the term "taxing agency(ies)" shall mean any agency of the District of Columbia which may levy a tax, assessment or charge collectible under Chapter 13A of Title 47 of the D.C. Code. This definition includes the Business Improvement District (BID) tax.

(w) Third-Party Assignee - For purposes of sections 316.1 through 316.12, the term "third-party assignee" shall mean a party who was assigned a tax lien for tax years 1990 through 1995 from the District TLC Trust, 1996.