

**SALT LAKE COUNTY ORDINANCE**

ORDINANCE NO. \_\_\_\_\_, 2022

**TAX SALE AMENDMENTS**

AN ORDINANCE AMENDING CHAPTER 3.65, ENTITLED TAX SALE PROCEDURES, AND CHAPTER 3.66, ENTITLED TAX SALE OF CONTAMINATED PROPERTIES, OF THE SALT LAKE COUNTY CODE OF ORDINANCES, 2001, BY AMENDING SECTIONS 3.65.010, 3.65.020, 3.65.030, 3.65.060, 3.65.090, 3.65.100, 3.65.140, 3.66.010, 3.66.020, 3.66.030, and 3.66.040; REPEALING SECTION 3.65.120; AND ENACTING SECTIONS 3.65.065 AND 3.65.150; REGARDING CONDUCTING THE ANNUAL PROPERTY TAX SALE THROUGH ELECTRONIC BIDDING; ADDRESSING CIRCUMSTANCES WHERE A WINNING BIDDER DEFAULTS; UPDATING AND CLARIFYING PROPERTY TAX SALE PROCESSES AND PROCEDURES; AND OTHER RELATED CHANGES.

The County Legislative Body of Salt Lake County ordains as follows:

SECTION I. The amendments made herein are designated by underlining the new substituted words. Words being deleted are designated by brackets and interlineations.

SECTION II. Chapter 3.65 of the Salt Lake County Code of Ordinances, 2001, is amended to read as follows:

**3.65.010 – Authority and purpose.**

In accordance with the authority granted by Utah Code [~~Annotated~~] Section 59-2-1351.1[~~34~~] and to facilitate the sale of properties certified for [~~Final~~] [~~T~~]tax [~~S~~]sale and provide consistency of procedure, when, pursuant to Utah Code [~~Annotated~~] Section 59-2-1351.1, the county auditor conducts the [~~final~~] tax sale, the sale shall be conducted in accordance with this part and Chapter 3.66, where applicable.

**3.65.020 – Bidder registration procedures.**

- A. At the time specified in the Notice of [~~Final~~] Tax Sale as prescribed under Section 59-2-1351 of the Utah Code Annotated (1953), as amended, the county auditor shall offer for sale and sell all such real property [~~estate~~] for which an acceptable bid is made.
- B. Any party wishing to bid on property offered for sale must register in advance in accordance with procedures established by the auditor’s office [~~and may be required to submit a written, sealed first bid accompanied by certified funds for an amount not less than the tax, penalty, interest and costs as determined by the county treasurer. In the event that more than one bid is received prior to the time of sale of the property, the property will be offered and, upon completion~~]

of the bidding, will be awarded to the successful bidder. Certified funds must be deposited with the county treasurer in the amount equal to the bid price at the time the bid is accepted].

[1. — If a bidder is the record owner of the property, or an agent of the record owner, or a contract buyer, no competitive bidding will be permitted. An agent shall include a personal representative or administrator, mortgage holder or trustee under a trust deed. In the event that a bid is made by such person, the property will be redeemed in the name of the record owner.]

### 3.65.030 - Redemption rights and procedures.

- A. Property certified for sale may be redeemed on behalf of the record owner by any person at any time prior to the [final] tax sale.
- B. A person redeeming property must pay to the county treasurer all delinquent taxes, interest, penalties, and administrative costs that have accrued on the property.
- C. If two or more persons own a piece of property on which a delinquency exists, any owner may redeem the owner's interest in the property upon payment of that portion of the taxes, interest, penalties, and administrative costs which the owner's interest bears to the whole [as determined by the council].
- D. If a bidder is the record owner of the property, or an agent of the record owner, or a contract buyer, no competitive bidding will be permitted. An agent shall include a personal representative or administrator, mortgage holder, lien holder, or trustee under a trust deed. If a bid is made by such person, the property will be redeemed in the name of the record owner.
- E[~~D~~]. If any property is redeemed, the county treasurer shall make the proper entry in the record of tax sales filed in the treasurer's office and issue a certificate of redemption, which is prima facie evidence of the redemption, and may be recorded in the office of the county recorder without acknowledgment.
- F[~~E~~]. Where the record owner is deceased, the property may be redeemed by, and all documents issued in the name of, the personal representative or administrator of the estate. If the estate of the deceased owner has not yet been probated, the delinquent taxes may be paid in the name of the deceased record owner. No redemption certificate will be issued until a personal representative or administrator for the estate has been appointed.

**3.65.060 - Criteria for accepting or rejecting bids.**

- A. At ~~[Final]~~ [F]tax [S]sale, only the highest bid amount for the entire parcel of property may be accepted. A bid may not be accepted for an amount which is insufficient to pay the taxes, penalties, interest, and administrative costs.
- B. Bids may not be withdrawn unilaterally by the successful bidder. All bids are considered conditionally accepted until reviewed and accepted by the council. The council may find that none of the bids are acceptable.

**3.65.065 – Aggregation of Parcels**

Aggregation of Parcels. Two or more contiguous parcels owned by the same owner may be combined by the auditor for tax sale when:

- A. The parcels are a single economic or functional unit;
- B. The combined sale will best protect the financial interests of the delinquent property owner; and
- C. Separate sales will reduce the economic value of the unit.

**3.65.90 - Procedures for recording tax deeds.**

- A. [~~Upon payment, the county treasurer will issue a temporary receipt.~~] Within sixty days of the date of the sale and after approval of all sales by the council, the county auditor will issue and record the tax deed, and mail the recorded deed to the name and address submitted during bidder [~~listed on the bid sheet and bidder~~] registration [~~form~~]. Deeds issued by the county auditor shall recite the following:
  - 1. The total amount of all the delinquent taxes, penalties, interest, and administrative costs which were paid for the execution and delivery of the deed;
  - 2. The year for which the property was assessed, the year the property became delinquent, and the year the property was subject to tax sale;
  - 3. A full description of the property; and
  - 4. The name of the grantee.
- B. When the deed is executed and delivered by the auditor, it shall be prima facie evidence of the regularity of all proceedings subsequent to the date the taxes initially became delinquent and of the conveyance of the property to the grantee in fee simple.

- C. The deed issued by the county auditor under this section shall be recorded by the county recorder.
- D. The fee for the recording shall be included in the administrative costs of the sale.

**3.65.100 - Payment methods, ~~and~~ procedures, and failure to complete the winning bid.**

- A. For redemptions after the date of certification for sale, all amounts must be paid in cash or with funds acceptable to the treasurer. For post-certification redemptions, an administrative fee is added to delinquencies.
- B. ~~[Property will be auctioned by class.]~~ When property has been bid and sold, purchasers must remit the full amount of the winning bid [for the purchase in cash or certified funds]. ~~If [n the event that]~~ a bidder does not [is unable to] produce the total amount by the payment deadline [at that time], ~~their [his/her]~~ bid shall be considered null and void. In that event, the auditor may offer the property to the next highest bidder, reject all bids and re-offer the property for sale, or, upon a finding that it is in the best public interest, withdraw the property from the sale [and the property shall be resold by the county auditor]. If the auditor offers the property to the next highest bidder and the next highest bidder declines, the auditor may contact each successive highest bidder in order. At any point, the auditor may stop offering the property to the next highest bidder and elect one of the other remedies outlined in this paragraph.

~~**3.65.120 - Criteria for striking properties to the county.**~~

- ~~A. Any property offered for sale for which there is no purchaser and which it is not in the public interest to withdraw and recertify to a subsequent sale, shall be struck off to the county by the county auditor, who shall then:
 
  - ~~1. Publicly declare substantially as follows: "All property here offered for sale which has not been struck off to a private purchaser is hereby struck off and sold to the County of Salt Lake, and I hereby declare the fee simple title of the property to be vested in the County."~~
  - ~~2. Make an endorsement opposite each of the entries in the delinquency tax sale record described in Section 59-2-1338, Utah Code Annotated, substantially as follows: "The fee simple title in the property described in this entry in the year of \_\_\_\_\_ sold and conveyed to the County of Salt Lake in payment of general taxes charged to the property"; and~~
  - ~~3. Sign the auditor's name to the record.~~~~
- ~~B. The fee simple title shall then vest in the county.]~~

**3.65.140 - Disclaimers by the county of any representations or warranties of property being sold [with respect to sale procedures and actions].**

Properties sold during the tax sale shall be conveyed by tax deed. This form of deed is not a warranty deed. All property is sold “as is” with no warranties or representations and prospective bidders must do their own due diligence regarding the tax sale properties. The county makes no warranties or representations as to the title conveyed, [nor as to] the purchaser's right of possession, the accuracy of the assessment, the accuracy of the description of the real estate or improvements, [of the property. Similarly, the county makes no warranties or representations as to] whether the property is buildable or developable, [nor does the county make any representations regarding] whether the property complies with applicable zoning regulations[-], whether the property [The county does not warrant or represent that any property purchased during the tax sale] is habitable or in any particular condition[-], or any other warranties or representation related to a property being sold. The county is not responsible for verbal statements or representations made by county personnel regarding the property or sale, nor any assumptions or conclusions reached by a prospective bidder because of such verbal communications. All statements made by county personnel must be confirmed through the potential bidder’s due diligence regarding the property.

**3.65.150 – Online tax sale,**

Pursuant to Utah Code Section 59-2-1351, the county auditor may conduct the tax sale through an electronic process whereby the public may bid on tax sale property through electronic bidding. The county auditor must provide information in the tax sale notice regarding how the public may access and participate in the electronic tax sale. The electronic tax sale process procedures established by the county auditor must both protect the financial interest of the delinquent property owner and meet the need to collect delinquent property taxes and tax notice charges due to taxing entities.

SECTION III. Chapter 3.66 of the Salt Lake County Code of Ordinances, 2001, is amended to read as follows:

**3.66.010 - Purpose.**

The purpose of this policy is to set out the circumstances under which the council deems it in the best interest of the public for the county auditor to withdraw environmentally contaminated property scheduled for ~~final~~ tax sale from that sale and to designate appropriate procedures governing the sale of such properties.

**3.66.020 - Legislative findings.**

The council makes the following findings with respect to the sale of environmentally contaminated properties and the ability of the county to manage, control, and direct the sale of those properties and the management of any properties which might come into county ownership.

- A. The county finds that it has insufficient resources to manage properties impacted by environmental contamination which might be struck to the county at a [~~final~~] tax sale.
- B. The county lacks the resources to coordinate or perform either the remediation of contaminated properties or litigation directed to establishing responsible parties and pro rata contribution by those parties.
- C. The involuntary acquisition of such properties by Salt Lake County and the ongoing responsibility for their management at public expense is not in the public interest.
- D. The effective solicitation of bids for properties with environmental contamination requires specialized advertising and bidding procedures not generally applicable to other tax sale properties.
- E. The best public interest requires that the properties with environmental contamination be withdrawn from the [~~final~~] tax sale when either further information is required with respect to the subject property or no acceptable bids are received either prior to or at the sale.

**3.66.030 - Research and disclosure.**

- A. In the first year a property is subject to [~~final~~] tax sale and environmental concerns are alleged or discovered, the property will be withdrawn from the sale unless the county can comply with the balance of the policy and procedures set out in this chapter.
- B. After initial withdrawal, the county auditor may acquire and place on file information which is readily available from public sources relating to the alleged contamination. Such information may include sites in Utah listed on the Nation Priorities List ("NPL"), the Comprehensive Environmental Response, Compensation and Liability Information System ("CERCLIS"), and the Leaking Underground Storage Tank ("LUST") list. Such information will be made available in the offices of the county auditor for inspection by any member of the public. The county makes no representation that the information on file is accurate, exhaustive, or complete. Potential bidders are encouraged to conduct such other research [~~consistent with ASTM Standard E-1527-93 (Standard Practice for Environmental Site Assessments)~~] as they deem necessary or appropriate. Information maintained with respect to any parcel may be supplemented by the county or any other party at any time prior to the sale.

### 3.66.040 - Sale procedures.

#### A. Notice.

1. Notice of the potential sale shall be given as required by law to all interests of record.
2. Public notice shall be given by advertising at such times and frequency as are provided for by law. Properties alleged to be affected by environmental contamination shall be segregated in the ~~[final]~~ tax sale notice with a designation that environmental contamination has been alleged with respect to the properties.

#### ~~[B. Diminution of Original Parcel Not Allowed.~~

- ~~1. The council determines that it is not in the public interest to allow the environmentally affected portions of any parcel to be severed from the balance of the property and accordingly will not accept bids for diminishing portions of the property. Full parcels only will be sold to the bidder offering the highest amount in excess of the taxes, penalties, interest and costs.~~
- ~~2. Aggregation of Parcels. Two or more contiguous parcels owned by the same owner may be combined when:
  - ~~a. The parcels are a single economic or functional unit;~~
  - ~~b. The combined sale will best protect the financial interest of the delinquent property owner; and~~
  - ~~c. Separate sales will reduce the economic value of the unit by reducing the likelihood of remediation or the likelihood that the contaminated parcel or portion of any parcel will be sold.]~~~~

~~[C]B. Bidding and Environmental Agreements [Registration]. Any party bidding on environmentally affected property must agree to sign an indemnification and release agreement and, if the county deems necessary, an environmental covenant. If the environmental covenant is deemed necessary, the bidder must also agree to the recordation of the covenant. Copies of the agreement and the environmental covenant will be available for review from the auditor at least twenty (20) calendar days prior to the tax sale. Upon being notified that a bidder has won, the bidder will immediately sign and provide to the auditor the indemnification and release agreement, and if requested, the environmental covenant. If there are no qualifying bids, the auditor shall cause the property to be withdrawn from sale and recertified to a subsequent sale, or subject to county council approval, may strike the property to the county. [Any party wishing to~~

~~bid on environmentally affected property offered for sale must register in advance and submit a written, sealed bid accompanied by certified funds for an amount of not less than the tax, penalty, interest and costs as determined by the county treasurer; and submit in conjunction with the submission of its sealed bid, an executed indemnification and release agreement and an executed environmental covenant, copies of which are available from the county auditor at least twenty calendar days prior to the day of the tax sale. The successful bidder must agree to the recordation of the environmental covenant, if in the opinion of the county it is deemed necessary. In the event one or more bids are received prior to the time of sale of the property, the property will be offered and, upon completion of the bidding, will be awarded to the highest bidder. Certified funds must be on deposit with the county treasurer in the amount equal to the bid price at the time the bid is offered and accepted. If no qualifying bid is received, the auditor shall cause the property to be withdrawn from sale and recertified to a subsequent sale or subject to county council approval, may if no qualifying bid is received, strike the property to the county.]~~

- ~~[D]C.~~ Excess Receipts. Any amount in excess of the taxes, penalty, interest, and costs will be transferred to the State Treasurer as required by statute. ~~[For purposes of this chapter, costs shall include not only the standard administrative fee established by the council for all properties offered at final tax sale, but also any additional expenses incurred by the county in acquiring and making available for inspection evidence related to alleged contamination and any additional advertising costs incurred as a result of complying with this chapter.]~~

SECTION IV. This ordinance shall become effective fifteen (15) days after its passage and upon at least one publication of the ordinance or a summary thereof in a newspaper published and having general circulation in Salt Lake County.

[Signature Page to Follow]



APPROVED and ADOPTED this \_\_\_\_ day of \_\_\_\_\_, 2022.

SALT LAKE COUNTY COUNCIL

By: \_\_\_\_\_  
Laurie Stringham, Chair

ATTEST:

\_\_\_\_\_  
Sherrie Swensen                      Date  
Salt Lake County Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Deputy District Attorney

ORDINANCE HISTORY

Council Member Alvord voting	_____
Council Member Bradley voting	_____
Council Member Bradshaw voting	_____
Council Member DeBry voting	_____
Council Member Granato voting	_____
Council Member Snelgrove voting	_____
Council Member Stringham voting	_____
Council Member Theodore voting	_____
Council Member Winder Newton voting	_____

VETOED and DATED this \_\_\_\_ day of \_\_\_\_\_ 2022.

By: \_\_\_\_\_  
Jennifer Wilson, Mayor

(Complete as Applicable)

Veto override: Yes \_\_\_\_\_ No \_\_\_\_\_ Date \_\_\_\_\_  
Ordinance published in newspaper: Date \_\_\_\_\_  
Effective date of ordinance: \_\_\_\_\_

SUMMARY OF SALT LAKE COUNTY ORDINANCE NO. \_\_\_\_\_.

On the \_\_\_\_\_ day of \_\_\_\_\_, 2022, the County Council of Salt Lake County adopted Ordinance No. \_\_\_\_\_, which amends sections 3.65.010, 3.65.020, 3.65.030, 3.65.060, 3.650.090, 3.65.100, 3.65.140, 3.66.010, 3.66.020, 3.66.030, 3.66.040, repeals section 3.65.120, and enacts sections 3.65.065 and 3.65.150. These new amendments pertain to conducting the annual property tax sale through electronic bidding, addressing circumstances where a winning bidder defaults, updating and clarifying property tax sale processes and procedures, and other related changes.

SALT LAKE COUNTY COUNCIL

By: \_\_\_\_\_  
Laurie Stringham, Chair

ATTEST:

\_\_\_\_\_  
Sherie Swensen                      Date  
Salt Lake County Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Deputy District Attorney

ORDINANCE HISTORY

Council Member Alvord voting	_____
Council Member Bradley voting	_____
Council Member Bradshaw voting	_____
Council Member DeBry voting	_____
Council Member Granato voting	_____
Council Member Snelgrove voting	_____
Council Member Stringham voting	_____
Council Member Theodore voting	_____
Council Member Winder Newton voting	_____

A complete copy of Ordinance No. \_\_\_\_\_ is available in the office of the Salt Lake County Clerk, 2001 South State Street, N2700A, Salt Lake City, Utah.