



CITY OF NORWALK, DEPARTMENT OF FINANCE
Tax Collector's Office

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2016 Tax Sale yields \$4.25 million in tax collections; properties deeded to new owners

The City of Norwalk's July 18, 2017 tax sale ultimately resulted in 7 properties, and 41 marina slip units, being transferred to new owners on January 19, and January 27, 2017, after the six month redemption periods ended.

Tax Collector's deeds to the properties that transferred were delivered to Town Clerk Rick McQuaid, and have been recorded in the Norwalk Land Records.

3 of the 7 properties that were deeded over were land-only parcels that were taken by the City in lieu of taxes, because there were no other bids. The other four were deeded over to outside bidders. Those four were 40 Chatham Drive, which sold for \$200,000; 53 ½ Elmwood Avenue, which sold for \$240,000; 94 Lexington Avenue, which sold for \$100,000; and 11 Burwell Street, which sold for \$135,000. All four of those properties had at least three years' back taxes due; the Burwell Street property had four years' back taxes due.

The 41 boat slips were sold to a total of nine different bidders, several of whom purchased multiple slips, including Dennis Brandt Nye, who purchased a total of 17 slips, and Marina Unit Norwalk LLC, which purchased 14.

There were originally in excess of 230 properties in the sale when work on it began in November 2015. The criteria for inclusion in the 2016 tax sale was either \$17,000 or more due, regardless of the length of time; or three or more years' taxes in arrears, regardless of the amount. If a property met either criteria, it was included. Properties were not removed until all taxes and associated fees were paid in full.

By the time notices were filed on the land records in May 2016, 169 properties were still in the sale. On the day of the sale, July 18, 2016, there were only 16 properties left to sell; 149 properties had been paid in full prior to the sale, while four properties were removed because the owners had filed for bankruptcy.

At the sale, 12 properties were sold to outside bidders, and the City bid on four properties for which there were no other bids. Of those 16 properties that were sold, nine were ultimately 'redeemed,' meaning, the owners paid off the bidders, and retained their properties. In order to redeem, the owner or an interested party had to pay the amount due to the city at the time

of the tax sale (the minimum bid), plus interest on the final bid (purchase price). Any overbids on those properties were returned to the bidders as part of the redemption.

The City recovers only the taxes and charges that are due to the City, and does not keep the overbid. The City has no financial 'stake' in seeing bidding for properties at a tax sale go higher. The overbid will either go back to the bidder as part of the redemption if the property is redeemed; or, the overbid will be turned over to the Superior Court, where it may be claimed by the former owner (the taxpayer who loses his or her property), or by anyone with a lien on the property. The City is not involved in that determination. The City does not 'make a profit' on tax sale properties, regardless of how much they sell for. The overbids on the properties that were not redeemed have already been turned over to the Superior Court.

The tax sale also included 52 boat slips (marina slip units) located on environmentally compromised property on Platt Street. Of the 52 boat slips, 41 were sold, at the discounted price of \$3,000 each. The City had offered these slips in two prior tax sales (2012 and 2014), and had been unable to sell them. This time, 27 marina slip units were sold on July 18. The sale was adjourned on the remaining slips until July 27, at which time the sale was reconvened, and 14 more slips were sold. None of the marina slip units were redeemed, and all 41 were deeded over to the successful bidders in January 2017. There are now only 11 slips remaining with unpaid taxes. Those 11 will be offered - again - for sale in the future.

One of the land-only tax sale properties on which the City bid was ultimately redeemed by the owner in January 2017. This resulted in the City collecting an additional \$43,000 - the owner had to pay all the back taxes that were due on the property in order to keep it.

"The collection of more than \$4.25 million in back taxes makes this tax sale successful. We exceeded our projection of \$4 million. The tax sale is the City of Norwalk's primary means of collection enforcement for past due real estate taxes," said Tax Collector Lisa Biagiarelli, who organized the tax sale.

She stressed that the primary purpose of the tax sale is to enforce collection of taxes, not to transfer ownership of properties. "The tax sale is the cornerstone of our office's collection enforcement strategy," she said. "The tax sale is sound policy. We were successful in collecting what was due. Without minimizing the profound impact of any taxpayer losing a property, nonetheless, we started the process with more than 230 properties, and ultimately, only seven were lost. The overwhelming majority of property owners were able to pay what was owed to the City, in order to avoid this result. Maintaining high current and back tax collection rates promotes stable budgeting. This results in lower mill rates and equates to real tax relief for every single Norwalk resident and taxpayer." She also expressed satisfaction that 41 of the 52 marina slip units at the Platt Street location were sold and deeded over to new owners, thus resolving a complicated situation involving multiple years' back taxes on dozens of properties.

The tax sale was conducted by the staff of the Norwalk tax collector's office, with some assistance from other departments and tax collector colleagues from several other Connecticut towns. This was the City's seventh tax sale since 2003. In total, these tax sales have yielded in excess of **\$28.3 million in back tax collections**. All of the out-of-pocket costs associated with running the tax sale were recovered through the sale process, and are not borne by the on time taxpayers of the City.

The tax sale appears on the city's website at <http://my.norwalkct.org/etaxsale/>. The site shows the sale results, and includes information about each of the properties, copies of all the legal notices, and other information.