

Investors: Property Tax Alert!

Written By: Bill and Kim Cook

Do you ever feel like you are the biggest bonehead on the planet? Do you know what it is like to have someone trying to explain a really dumb law to you when you realize that they think your brain is made out of concrete – or far worse?

When this happens, the person you are talking with starts speaking really slowly. They use their hands a lot to help emphasize their point, and they practically *will* you to understand the meaningfulness of the law. Problem is, no matter how the law is explained, you know that it is a really stupid law that makes no bloody sense!

This happened to me this past week.

First, you should know that far too many people think Kim and I know everything there is to know about REI (Real Estate Investing). Today's column will surely cure folks of this mistaken belief. Many of you will already know about the property tax problem that I'm about to describe. If you do, my questions to you are these: Am I the only Real Estate Investor in Georgia who didn't know about this idiotic law? Why didn't you tell me about this dopey law?

In December of each year I call the property tax offices in the counties where we own or control properties. The purpose of the call is to make sure that each property's taxes have been paid in full and on time. We check because sometimes the mortgage company or I forget to send in some or all of the money required to pay a certain property's taxes.

It goes without saying, when it comes to unpaid property taxes, our city, county, and state governments wish that public floggings would once again become a popular spectator sport. Nothing like scourging some of the town folk on the public square to keep the dumb masses in line and paying their taxes!

Anyway, upon calling the Bartow County Tax Office I was happy to learn that all taxes had been paid on all of the properties we currently own or control. But wait, one problem was discovered. The woman I spoke with told me that the taxes had not been paid on a property we had sold in June of last year.

I asked, "What does this have to do with us? We sold the property in June of last year. Isn't the current owner responsible for paying the property taxes on this property?"

The nice lady said, "Of course they are, but if they don't pay all of their property taxes, the lien will be filed against you and Kim."

"Uhhhh, come again?" I asked.

The nice lady said, "The law says that if a property's taxes are not paid in full, whomever owned the property on January 1 of that year will have a lien filed against them."

In disbelief I asked, “Let me get this straight, even though we sold this property in June of last year, and at closing we paid our portion of this property’s taxes to the current owner, if he doesn’t pay his portion of the property’s taxes, then the lien is filed against us?”

The nice lady said, “Golly, I think you are beginning to understand the law.” Then she added, “One other thing, when the lien notice is sent, it will be sent to the current property owner, not to you. In other words the lien will read: Bill and Kim Cook *in care of* Bob Buyer, and it will be sent to Bob Buyer.”

With eyes wide I asked, “Let me make sure I have this straight: **A lien is about to be filed against us for taxes that we already paid, on a property that we don’t own, for taxes that we don’t owe, and to top it off the lien notice will be sent to a person whom we don’t know.** Is this about right?”

With glee the nice lady said, “You do understand! It takes most folks a week or two before they understand this law.”

Take our advice, if you sold a property last year, and you owned it on January 1 of last year, call your county tax office and make sure all of the property’s taxes were paid. Otherwise, you can join me this Saturday on the public square for my date with a cat-o-nine-tails! Yeowee!