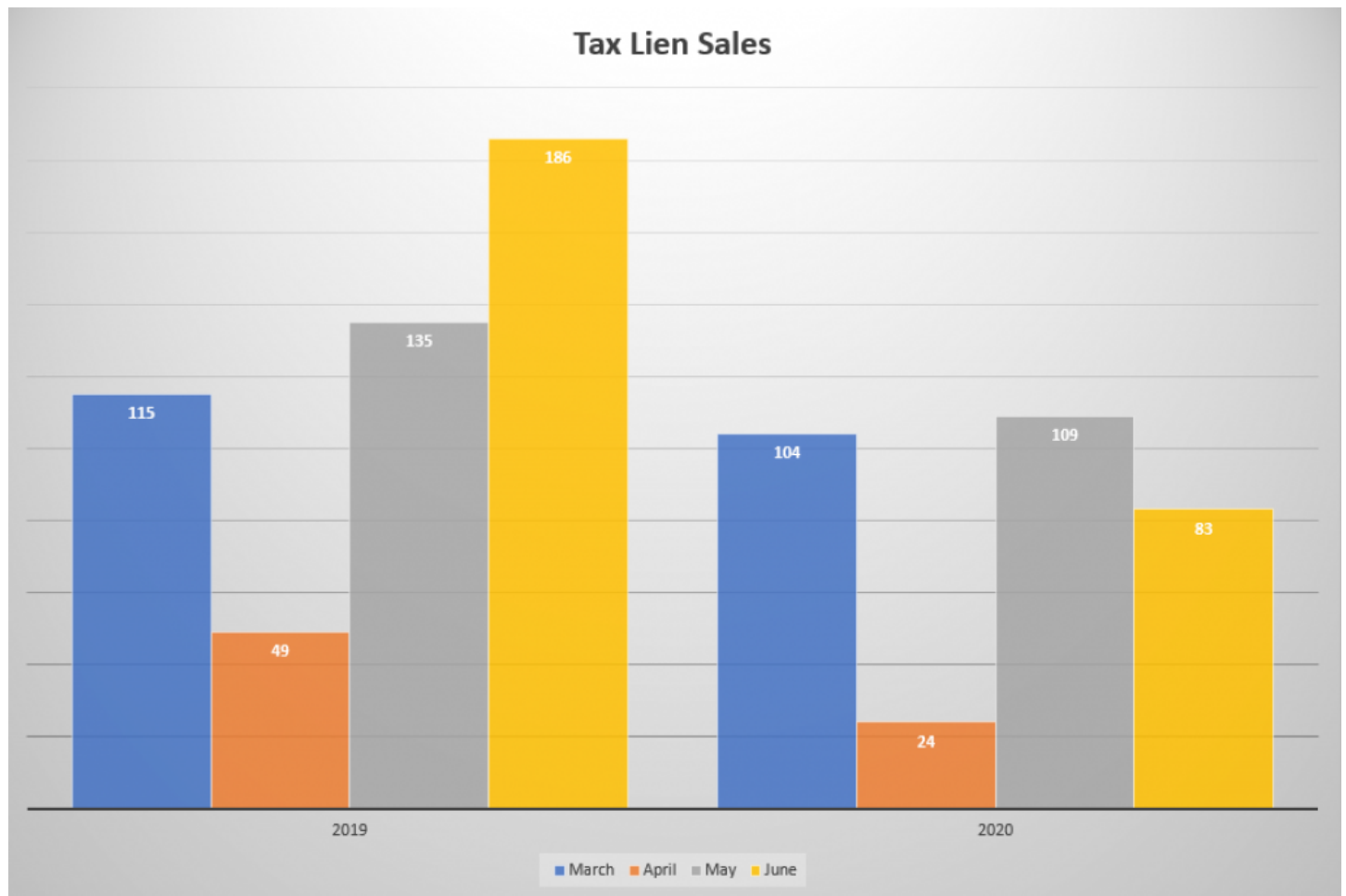


COVID-19 Impact on Tax Lien Sales Nationwide



Hamilton, Jun 9, 2020 ([Issuewire.com](https://www.issuewire.com)) - Authored by Tax Sale Resources, LLC

What is the true impact of COVID-19 on the tax lien sale industry? The long term impact is more understood and clear. . . Recessions result in an increase in tax delinquencies and tax liens. From 2008 to 2010 there was nearly a 40% increase in tax liens in Florida alone. However, the short term impact to 2020 is largely unknown as there has never been the number of sales being postponed or canceled as was seen in the past few months. What impact does postponing sales have from an investor's perspective? Historically, March through June sees approximately 485 tax lien sales each year. However, due to COVID-19, over 1/3 of those sales were canceled or postponed. Over 50% of them in June alone. . This has a drastic impact on the tax lien industry and there are still questions that don't have answers. Will we see a tidal wave of sales building later in 2020? Or, will taxing authorities opt to wait until next year before attempting to collect on delinquencies?

Tax Sale Resources (TSR) has been tracking the cancellations and postponements of tax sales nationwide. Some states have postponed sales by a month or two. Alabama, for example, historically holds most of its annual lien sales in May with only 5-6% of sales in June. However, 40% of the state rescheduled its sale for June. Louisiana recently issued a mandate that all sales previously scheduled through June 5th must be postponed until after June 16. Some parishes are making the call to wait until August or later while others are limping along and continually changing their sale dates. The constant

rescheduling and list adjustments have left investors scrambling to replan.

A very different trend was demonstrated in Florida where sales were still held on schedule in May. In years past, 14% of the state held live sales. This year only 1 county held a live sale. Smaller but similar trends have played out in New Jersey and Maryland with more sales moving to an online format. But, even online sales have seen cancellations.

The potentially more troublesome outcome is that sales continue to reschedule for later and later in the year, building a massive tidal wave of sales at the end of the year when sales densities are already at their highest levels of the year. Iowa canceled sales typically all held the same day in June and the state has yet to approve a new sale date. It is still unknown whether it will remain on the same day or if they will give the 99 counties the ability to schedule their own sales. New Jersey municipalities have also canceled nearly all accelerated sales in May-June with only 2% of municipalities holding their sale. The remainder of cities is indicating their accelerated sales will happen "sometime in the fall" as soon as the state ban is lifted and before the standard sales are held in October-December. If New Jersey, Iowa, Alabama, and Louisiana keep pushing into fall...investors will be faced with huge logistical challenges.

The last course of action being monitored closely are complete cancellations of sales for the year. This could have a drastic impact on the industry. So far, the outright cancellations have been mostly deeding states, but states like Maryland have made mixed decisions about their annual tax sale. Some merely postponed by a month or so, while others are pushing the sale out until the fall. Currently, only 50% of the state has a sale scheduled for this year and a handful have already decided to wait until 2021.

It's an unprecedented time in history on many fronts and the tax lien industry is no exception as it continues forging new ground. The second half of 2020 will surely continue being a wild ride for investors . . . even more so than usual.

About Tax Sale Resources, LLC (TSR)

Tax Sale Resources is a nationwide data and analytics service provider for the tax sale industry. TSR was founded in 2010 with the goal of revolutionizing the tax sale industry by making upcoming auction information, auction listings, and property data easily accessible to investors. TSR currently processes data for over 5,000 counties and municipalities annually. For more information, click [HERE](#).

Media Contact

Tax Sale Resources/Rachel Seidensticker

marketing@taxsaleresources.com

877-982-9725

PO Box 571

Source : Tax Sale Resources, LLC

[See on IssueWire](#)