

# Thursday's tax sale achieves historic low rate

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EDWARDSVILLE - Madison County Treasurer Kurt Prenzler, CPA, announced that the annual Tax Sale on Thursday resulted in the sale of \$4.4 million of taxes, at a weighted average penalty interest rate of 1.59 percent.

“This is the lowest rate that I’m aware of in Madison County,” said Prenzler. “This result is very good for the taxpayers.”

This rate is also far below the 18 penalty rates that led to a federal investigation that sent former treasurer Fred Bathon to prison, and led to three tax buyers to plead guilty to collusion.

“In 2006, I blew the whistle on these unethical tax sales,” said Prenzler. “This was reported in the newspapers, but when it became clear that county authorities were turning a blind eye, my campaign manager and county board member Steve Adler called the FBI.”

Prenzler said the tax sales held from 2005 through 2008 cost taxpayers more than \$4 million of excessive penalty interest, and that doesn't count the homes people lost. The Tax Sale is held annually to collect unpaid taxes from property owners. The state requires a tax sale to make sure taxing entities, such as school districts, receive the taxes for which they levy.

“We know these are tough economic times for people, which unfortunately leaves some property owners unable to pay their real estate taxes,” Prenzler said. “We hold a tax sale in order to get the money for the taxing entities such as school districts and other taxing bodies.”

Last month, Bathon entered federal prison for “rigging” tax sales to benefit political contributors. Three tax buyers, Scott McLean, Barrett Rochman and John Vassen, pled guilty to the federal charges associated with Bathon's scheme. They are scheduled to be sentenced later this month or next month.

Prenzler excluded the three men, along with any companies in which they held a controlling interest, from participating in the sale.

After Prenzler took office on Dec. 1, 2010, he made two changes to the way tax sales were conducted. First, he refused political donations from tax buyers and second, he implemented automatic software to be used during the sale.

“The automatic software puts every tax buyer on a level playing field, resulting in a much lower penalty interest rate, benefitting the taxpayer,” he said. He said the 18 percent interest rates was bad for taxpayers, but got even worse.

“If the taxpayer was unable to redeem the taxes within the first six months, the rate would double every six months, from 18 to 36, to 54, to 90, and finally 108 percent.” Prenzler continued, “This really hurt people.”