

Jefferson County
Treasurer's Office
Terri Kness, County Treasurer
P.O. Box 308
Fairfield, Iowa 52556
641-472-2349

**TERMS AND CONDITIONS GOVERNING THE ANNUAL TAX SALE OF
JUNE 19, 2017 AND ADJOURNMENTS OR ASSIGNMENTS THEREOF
FOR DETAILED INFORMATION REGARDING TAX SALES PLEASE READ
IOWA CODE SECTION 446 and 447**

The Jefferson County Treasurer will hold the 2017 annual tax sale on Monday, June 19, 2017 in the **Jefferson county courtroom 2nd floor courthouse 51 E. Briggs Fairfield, IA.** Pre-registered bidders must check-in and obtain bidder credentials on Monday between 8:00 a.m. and 9:00 a.m. The tax sale will begin promptly at 9:00 a.m.

The following information is provided to assist in the purchase of delinquent taxes during the tax sale or in obtaining an assignment of a tax sale certificate, either from a private certificate holder or from Jefferson County.

1. Registering for the Tax Sale

In order to be eligible to bid at the Jefferson County Tax Sale, all tax sale bidders must complete the following steps:

- Register online at www.iowataxauction.com. **No mailed or emailed registrations will be accepted.** Registration will begin Wednesday, May 31st, 2017 and end Thursday, June 15, 2017. All steps in the registration process must be completed by 11:59 p.m. on June 15, 2017. **Directions for registering are available under FAQ; please refer to this help section before reaching out to support for assistance.**

- Pay a non-refundable \$30.00 registration fee via ACH debit.
- Complete the online W-9 form.
- Assistance with registration and the auction site is available at (877) 243-9997 or support@iowataxauction.com.

A Tax Sale Certificate of Purchase and/or a Treasurer's Deed can be set aside by the courts if it is determined that the tax sale purchaser was ineligible to bid at the tax sale. The general rule is a tax sale purchaser should never have an interest or lien in the parcel offered for sale. You should consult with your legal counsel to determine your right to bid and become a tax sale purchaser. If the bidder is an entity, not an individual, the entity must have a federal tax identification number and either a designation of agent for service of process on file with the Iowa Secretary of State or a verified statement of trade name on file with the Jefferson County Recorder. Contact the Iowa Secretary of State by phone at (515) 281-5204 or the Jefferson County Recorder by phone at (641) 472-4331. All bidders must be 18 years of age or older as of June 19, 2017. A W-9 form must be completed electronically by the registration deadline. This information is required to issue an accurate 1099-INT form to each certificate holder earning cumulative interest equal to or in excess of \$600.00 during the calendar year. This information will

also be submitted to the Internal Revenue Service and may be needed when filing your Federal and State Income Tax returns. **If you hold an interest in a property offered at Tax Sale, you are not eligible to bid on that property.**

*******A registrant is not limited in the number of designated agents per registration for the duration of the sale; but the cost is still \$30 per bidder number.*******

This fee is non-refundable.

2. Bidding at the Tax Sale

Parcels with delinquent taxes are offered for sale in numerical sequence by taxing district, as reflected in the official tax sale publication published by the Fairfield Ledger. It is the bidder's responsibility to be prepared for the sale and to know the item number(s) within each district for the corresponding legal description(s) upon which she/he intends to bid.

Each item will be offered for sale to all bidders, with an opening bid of 100% undivided interest. After the Treasurer announces the item to be sold, bidders may bid downward a percentage of undivided interest in the parcel. This is called a "bid down" and means that the bidder is willing to pay the total amount due against the parcel for less than 100% undivided interest in the parcel. Bidders wishing to "bid-down" must announce their intention immediately after the item number is announced. The bidder that offers to pay the total amount due against a parcel for the smallest undivided interest in the parcel will obtain the certificate. "Bid downs" will range in whole percentages from 99% to 1%. The percentage designated will be the percent of undivided interest in the parcel conveyed to the certificate holder upon the issuance of a Tax Deed.

If the Treasurer determines that there are no "bid-downs" or if the bid is a tie, a bidder will be chosen by a random selection process. The bidder selected at random must immediately accept the purchase of the item by announcing "sold" or refuse the item by announcing "pass", in which case another bidder number will be chosen at random. A response of "sold" results in an obligation on the part of the bidder to pay for the certificate at the conclusion of the sale.

If the bidder whose number is selected does not respond immediately, another bidder number will be selected. Any mixed response (both "pass" and "sold") will be taken as a "pass" response, resulting in the random selection of another bidder number. Responding for another bidder may result in disqualification and de-activation of the offender's bidder number.

3. Purchasing Tax Sale Certificates

Payment is required at the time of purchase or at the conclusion of each day's sale. The amount collected will include all delinquent taxes, special assessments, interest, special assessment collection fees, rates or charges, publishing costs, and a certificate fee for each certificate issued. If a tax sale buyer's payment does not clear for any reason, i.e., non-sufficient funds, account closed, etc., the tax sale certificate will be canceled.

Buyers are required to review all items listed on the summary sheet and resolve discrepancies before making payment. **You may pay all bidder amounts with one check.**

Payment must be in the form of a personal check, business check, money order, cash or any form of guaranteed funds for the exact amount of the purchase. Two-party checks will not be accepted for payment. The County Treasurer reserves the right to require personal identification at the time of settlement.

Please allow up to 15 days to receive purchased certificate(s). This allows the Jefferson County Treasurer's staff time to complete posting of records, editing of certificates, and balancing the proceeds received from the tax sale. At the time certificates are mailed or picked up, reimbursement will be included for those parcels that have been redeemed from this sale, in lieu of the tax sale certificate of purchase being sent. It is the purchaser's responsibility to verify that the tax sale certificates and redemption copies received are correct for the parcels purchased.

The tax sale certificate of purchase does not convey title to the purchaser. The titleholder of record or other interest party retains the right to redeem within a specified period of time, depending on the type of tax sale. If the sale remains unredeemed after the statutory period, the purchaser may begin action to obtain a tax sale deed (refer to section 8: '90 Day Notice of Right of Redemption' Affidavit.)

4. Notification to Titleholder of Tax Sale

The County Treasurer is required to notify the titleholder of record within fifteen days from the date of sale that the published item was sold at tax sale.

5. Reimbursement of a Tax Sale Redemption

A redeemed tax sale will include the following:

- a. The original tax sale amount, including the \$20.00 certificate fee paid by the purchaser at the time of the sale.
- b. Interest in the amount of 2% per month, beginning with the month of sale, calculated against the amount, for which the item was sold, including the amount paid for the certificate of purchase. Each fraction of a month is counted as a whole month.
- c. Subsequent tax payments paid and properly reported by the purchaser as an addition to the sale, with interest in the amount of 2% per month, beginning with the month the subsequent payment is posted to the county system to the month of redemption. Each fraction of a month will count as a whole month (refer to section 6: Payment of Subsequent Taxes).
- d. Valid costs incurred by the certificate holder of record and posted to the county system for action taken toward obtaining a tax sale deed. Costs not posted to the county system before redemption shall not be collected by the County Treasurer.

The treasurer shall add to the amount necessary to redeem the following: the cost of serving the notice including the cost of sending certified mail notices and the cost of publication, if publication is required, and the cost of a record search. **The record search must be performed by an abstractor who is an active participant in the title guaranty program under section 16.91 or by an attorney licensed to practice law in the state of**

Iowa, and the amount of the cost of the record search that may be added to the amount necessary to redeem shall not exceed three hundred dollars. The Jefferson County Treasurer requires a copy of the newspaper publisher's invoice and a statement from the certificate holder substantiating the reason service was made by publication prior to posting publication costs to the amount necessary to redeem to determine whether publication costs are valid. Fees for publication, if publication is required, shall not exceed the customary publication fees for official county publications.

By statute, (447.12), costs cannot be filed with the County Treasurer prior to the filing of the '90 Day Notice of Right of Redemption' affidavit with the County Treasurer.

Upon surrender of the tax sale certificate for a redeemed tax sale, either in person or by mail, the Jefferson County Treasurer will issue a check for the redemption amount. The buyer will receive a check directly or by mail with a copy of the redemption certificate reflecting the total amount of the redemption. We recommend buyers retain the redemption certificate copy for income tax purposes.

If the original certificate of purchase has been lost or destroyed, a duplicate can be obtained from the Jefferson County Treasurer at a cost of \$20.00.

In the event a buyer has been reimbursed for redemption and the taxpayer's check does not clear the taxpayer's bank account, upon notification, the buyer will be immediately required to return the redemption funds to the Jefferson County Treasurer. The tax sale will be reinstated as of the original sale date. A subsequent redemption will be calculated from the original date of the sale to date of repayment.

At the end of the calendar year, the County Treasurer will issue a 1099-INT form to buyers and to the Internal Revenue Service if the cumulative interest paid to the buyer during the calendar year is \$600 or more. A buyer's tax preparer may need this information when filing Federal and State Income Tax returns.

6. Payment of Subsequent Taxes

A tax sale purchaser may pay subsequent taxes and special assessments, including rates or charges, on the same parcel(s) on which she/he holds the tax sale certificate, beginning one month and fourteen days following the date from which an installment becomes delinquent. Only items due in the current fiscal year or a prior year may be paid on a "sub-list". Special assessments, rates or charges due in future years cannot be paid until the fiscal year in which they become delinquent. The Treasurer's Office will notify the certificate holder of additional late interest due, if payment is received after the last business day of the month. Recorded sub-list payments will accrue interest at the rate of 2% per month, beginning with the month the payment is posted to the county system through the month of redemption.

7. Assignment of a Tax Sale Certificate

The tax sale certificate of purchase is assignable by endorsement of the certificate, payment by the assignee of a \$100 assignment transaction fee, and forwarding the certificate to the County Treasurer for posting in the county system. An assignment is

not considered valid until posted to the county system by the Treasurer. A certificate cannot be assigned to a person, other than a municipality, who has redemption rights. A tax sale certificate of purchase and/or a tax sale deed can be set aside if it is determined that the tax sale purchaser or assignee was ineligible to bid at tax sale. The general rule is that a tax sale purchaser or assignee should never have an interest or lien in the item offered for sale. A prospective bidder should consult with legal counsel to determine the right to become a tax sale certificate holder, either through bid or assignment. The assignor may not assign a certificate of purchase to more than one assignee/buyer number. Upon receipt of the \$100 assignment transaction fee from the assignee, the Treasurer will make the necessary entries in the county system. The recorded assignment will vest in the assignee all the right and title of the assignor; except, when a county-held certificate is assigned, the assignee has three years from the date the assignment is recorded by the Treasurer in the county system, instead of from the date of the tax sale, to qualify for a tax sale deed.

8. '90 Day Notice of Right of Redemption' Affidavit

Service is completed when the certificate holder files the '90 Day Notice of Right of Redemption' affidavit with the County Treasurer. A redemption will not be processed unless received by the Treasurer before the close of business on the ninetieth day from the date of completed service or as allowed by law.

a. Regular Tax Sale:

The '90 Day Notice of Right of Redemption' affidavit may be issued after one year and nine months from the date of sale. Any certificate holder who serves said notice or a similarly worded notice before the expiration of this time period may be barred from future tax sales in Jefferson County. It is Jefferson County's intent to afford all property owners with all of the rights and remedies of the Iowa statutes.

b. Public Bidder Sale:

The '90 Day Notice of Right of Redemption' affidavit may be issued after nine months from the date of sale. Any certificate holder who serves said notice or a similarly worded notice before the expiration of this time period may be barred from future tax sales in Jefferson County. It is Jefferson County's intent to afford all property owners with all of the rights and remedies of the Iowa statutes.

9. Failure To File '90 Day Notice of Right of Redemption' Affidavit: Cancellation Of Sale

If three years have elapsed from the date of the sale and the '90 Day Notice of Right of Redemption' affidavit has not been filed with the Treasurer, which may have qualified the holder of the certificate to obtain a tax sale deed, the Treasurer will cancel the tax sale. In this instance, the tax sale purchaser is not entitled to a refund.

10. Tax Sale Deed

The fee for the issuance of a tax sale deed is \$25. Tax sale deeds will be issued independently for each tax sale certificate that qualifies for a tax sale deed. A tax sale deed will be issued upon receipt of the tax sale certificate of purchase and payment of a \$25 fee, made payable to the Jefferson County Treasurer. The Treasurer will record all tax sale deeds with the County Recorder upon payment of the appropriate recording fee, made payable to the Jefferson County Recorder. The Treasurer will not release a tax sale deed to the certificate holder until it is properly recorded.

11. Erroneous Tax Sale or Assignment

If it is determined that any item was erroneously sold, the certificate of purchase will be canceled. The certificate holder will return the certificate of purchase and the Jefferson County Treasurer will reimburse the principal amount of the investment. The Treasurer will not pay interest.

If it is determined that a county held certificate was erroneously assigned, the assignment will be canceled. The certificate holder will return the certificate of purchase, and the Jefferson County Treasurer will reimburse the total amount paid for the assignment. Interest from the assignment date to the date of cancellation of the assignment will not be paid.

12. General Information

This document has been prepared to provide general information and guidelines relative to tax sales, tax sale assignments, tax sale redemptions, and the issuance of tax sale deeds. It is not an all-inclusive listing of statutory requirements, procedures, or policy. It is not to be construed as a legal opinion of the statutes governing tax sales. The Jefferson County Treasurer reserves the right to reject any or all bids and to waive irregularities, which appear to be in the best interest of Jefferson County.

A tax sale buyer should consult with legal counsel to determine his/her legal rights and remedies and to protect his/her interest as a tax sale buyer.

Prospective buyers should consult with their tax attorney or tax preparer to determine income tax ramifications that might result from a gain or loss as a result of purchasing a tax sale certificate of purchase. It is entirely at the risk of the tax sale buyer to research all properties listed. The Jefferson County Treasurer's Office holds no responsibility for the tax sale buyer to know what tax lien they may be purchasing.

The doctrine of caveat emptor, meaning 'buyer beware', applies to this tax sale.



Terri Kness

Jefferson County Treasurer

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 446.16, Code 2009, is amended by adding the following new subsection:

NEW SUBSECTION. 4. Only those persons as defined in section 4.1 are authorized to register to bid or to bid at the tax sale or to own a tax sale certificate by purchase, assignment, or otherwise. To be authorized to register to bid or to bid at a tax sale or to own a tax sale certificate, a person, other than an individual, must have a federal tax identification number and either a designation of agent for service of process on file with the secretary of state or a verified statement meeting the requirements of chapter 547 on file with the county recorder of the county in which the person wishes to register to bid or to bid at tax sale or of the county where the property that is the subject of the tax sale certificate is located.

Sec. 2. EFFECTIVE AND APPLICABILITY DATES. This Act, being deemed of immediate importance, takes effect upon enactment and applies to tax sales held on or after June 1, 2009.