

TAX REDEMPTION

Footnotes

For definitions applicable to chapter, see §445.1

447.1 Redemption terms.

A parcel sold under this chapter and chapter 446 may be redeemed at any time before the right of redemption expires, by payment to the county treasurer, to be held by the treasurer subject to the order of the purchaser, of the amount for which the parcel was sold, including the fee for the certificate of purchase, and interest of two percent per month, counting each fraction of a month as an entire month, from the month of sale, and the total amount paid by the purchaser or the purchaser's assignee for any subsequent year, with interest at the same rate added on the amount of the payment for each subsequent year from the month of payment, counting each fraction of a month as an entire month. The amount of interest must be at least one dollar and shall be rounded to the nearest whole dollar. Interest shall accrue on subsequent amounts as provided in section 446.32. The redemption must be received by the treasurer on or before the last day of the month to avoid additional interest being added to the amount necessary to redeem. However, if the last day of a month falls on a Saturday, Sunday, or a holiday, the payment must be received by the treasurer by the close of business on the first business day of the following month.

When the county or city is the certificate holder of the parcel redeemed from a sale held under section 446.19, the redemption amount shall be apportioned among the several funds for which the taxes were levied. All interest, costs, and fees shall be apportioned to the general fund of the county regardless of who is the certificate holder. If a city is the certificate holder of the parcel redeemed from a sale held under section 446.7 or 446.28, the city shall be entitled to the total amount redeemed.

[C51, § 505; R60, § 779; C73, § 890; C97, § 1436; S13, § 1436; C24, 27, 31, 35, 39, § **7272**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, § 447.1; 81 Acts, ch 117, § 1232]

91 Acts, ch 191, §89; 93 Acts, ch 73, §11; 2006 Acts, ch 1070, §27, 31

Footnotes

Tax sale certificate fee, §331.52(23)

2006 amendment to unnumbered paragraph 1 takes effect April 20, 2006, and applies to parcels sold at tax sales held on or after June 1, 2006; 2006 Acts, ch 1070, §31

447.2 Nonallowable penalties. Repealed by 91 Acts, ch 191, §123, 124.

447.3 Agricultural college lands.

In redeeming from a sale of a leasehold interest in agricultural college land, the amount to be paid shall include any amount paid by the holder of the certificate as interest or principal due by the terms of the lease or otherwise to prevent a forfeiture, and for which proper voucher has been filed with the county treasurer, with interest at eight percent per annum from date of payment, which amount shall be paid by the treasurer to the holder of the certificate, and the certificate of redemption shall show the amount paid by the party redeeming.

[C51, § 505; R60, § 779; C73, § 890; C97, § 1436; S13, § 1436; C24, 27, 31, 35, 39, § **7274**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, § 447.3; 81 Acts, ch 117, § 1233]

91 Acts, ch 191, §90

447.4 Redemption from sale for part of tax.

In case a redemption is made of a parcel compromised and assigned for a sum less than the total amount due, the purchaser is entitled to receive only the amount paid and a ratable part of the interest and costs. In determining the interest to be paid upon redemption from sale, the sum due on a parcel sold shall be taken to be the total amount due on the parcel at the time of sale, and the amount paid for a parcel at sale shall be apportioned ratably in accordance with section 447.1. Parcels so sold are redeemable in the same manner and with the same interest as those sold for the taxes of the preceding year.

[C97, § 1437; C24, 27, 31, 35, 39, § **7275**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 447.4]

90 Acts, ch 1168, §49; 91 Acts, ch 191, §91

447.5 Certificate of redemption issued by treasurer.

The county treasurer, upon application of a party to redeem a parcel sold at a tax sale, and being satisfied that the party has a right to redeem the parcel upon the payment of the proper amount, shall issue to the party a certificate of redemption, setting forth the facts of the sale substantially as contained in the certificate, the date of the redemption, the amount paid, and by whom redeemed, and shall make the proper entries in the county system in the treasurer's office.

[R60, § 780; C73, § 891; C97, § 1438; C24, 27, 31, 35, 39, § **7276**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, § 447.5; 81 Acts, ch 117, § 1234]

91 Acts, ch 191, §92; 2006 Acts, ch 1070, §28, 31

2006 amendment to this section takes effect April 20, 2006, and applies to parcels sold at tax sales held on or after June 1, 2006; 2006 Acts, ch 1070, §31

447.6 Documentation of corrections.

The entries by the county treasurer on the county system shall be of a permanent nature and if errors are subsequently discovered the correcting entries shall be adequately documented to support the correction.

[C31, 35, § 7276-c1; C39, § **7276.1**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, § 447.6; 81 Acts, ch 117, § 1235]

91 Acts, ch 191, §93

447.7 Minors and persons of unsound mind.

If a parcel of a minor or person of unsound mind is sold at tax sale, it may be redeemed at any time within one year after the disability is removed, in the manner specified in section 447.8, or redemption may be made by the guardian or legal representative under sections 447.1 and 447.3 at any time before the delivery of the treasurer's deed.

[R60, § 779; C73, § 892; C97, § 1439; C24, 27, 31, 35, 39, § **7277**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 447.7]

447.8 Redemption after delivery of deed.

1. After the delivery of the treasurer's deed, a person entitled to redeem a parcel sold at tax sale shall do so only by an equitable action in the district court of the county where the parcel is located. The action may be maintained only by a person who was entitled to redeem the parcel during the ninety-day redemption period in section 447.12, except that such a person may assign the person's right of redemption or right to maintain the action to another person.

In order to establish the right to redeem, the person maintaining the action shall be required to prove to the court either that the person maintaining the action or a predecessor in interest was not properly served with notice in accordance with the requirements of sections 447.9 through 447.12, or that the person maintaining the action or a predecessor in interest acquired an interest in or possession of the parcel during the ninety-day redemption period in section 447.12. A person shall not be entitled to maintain such action by claiming that a different person was not properly served with notice of expiration of right of redemption, if the person seeking to maintain the action, or the person's predecessor in interest, if applicable, was properly served with the notice. A person is not allowed to redeem a parcel sold for delinquent taxes in any other manner after the execution and delivery of the treasurer's deed.

2. The person maintaining the action shall name as defendants all persons claiming an interest in the parcel derived from the tax sale, as shown by the record.

3. If the court determines that notice was properly served, the court shall enter judgment holding that all rights of redemption are terminated and that the validity of the tax title or purported tax title is conclusively established as a matter of law.

4. If the court determines that notice was not properly served and that the person maintaining the action is entitled to redeem, the court shall so order. The order shall determine the rights, claims, and interests of all parties, including liens for taxes and claims for improvements made on or to the parcel by the person claiming under the tax title. The order shall establish the amount necessary to effect redemption. The redemption amount shall include the amount for redemption computed in accordance with section 447.1, including interest computed up to and including the date of payment of the total redemption amount to the clerk of court; the amount of all costs added to the redemption amount in accordance with section 447.13; and, in the event that the person claiming under the tax title has made improvements on or to the parcel after the treasurer's deed was issued, an amount equal to the value of all such improvements. The order shall direct that the person maintaining the action shall pay to the clerk of court, within thirty days after the date of the order, the total redemption amount established in the order.

5. Upon timely receipt of the payment, the court shall enter judgment declaring the treasurer's deed to be invalid and determining the resulting rights, claims, and interests of all parties to the action. In its judgment, the court shall direct the clerk of court to deliver the entire amount of the redemption payment to the person who previously claimed title under the treasurer's deed.

If the person maintaining the action fails to timely deliver payment of the total redemption amount to the clerk of court, the court shall enter judgment holding that all rights of redemption are terminated and that the validity of the tax title or purported tax title is conclusively established as a matter of law. No subsequent action shall be brought to challenge the treasurer's deed or to recover the parcel.

6. If an affidavit is filed pursuant to section 448.15 and if the time period for filing a claim under section 448.16 expires with no claims having been filed, all persons are thereafter barred and estopped from commencing an action under this section.

[C73, § 893; C97, § 1440; C24, 27, 31, 35, 39, § **7278**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 447.8]

91 Acts, ch 191, §95; 2005 Acts, ch 34, §19, 26

2005 amendment to this section takes effect April 19, 2005, and applies to parcels sold at tax sales occurring on or after June 1, 2005; 2005 Acts, ch 34, §26

447.9 Notice of expiration of right of redemption county right of redemption.

1. After one year and nine months from the date of sale, or after nine months from the date of a sale made under section 446.18 or 446.39, or after three months from the date of a sale made under section 446.19A or 446.19B, the holder of the certificate of purchase may cause to be served upon the person in possession of the parcel, and also upon the person in whose name the parcel is taxed, a notice signed by the certificate holder or the certificate holder's agent or attorney, stating the date of sale, the description of the parcel sold, the name of the purchaser, and that the right of redemption will expire and a deed for the parcel be made unless redemption is made within ninety days from the completed service of the notice. The notice shall be served by both regular mail and certified mail to the person's last known address and such service is deemed completed when the notice by certified mail is deposited in the mail and postmarked for delivery. The ninety-day redemption period begins as provided in section 447.12. When the notice is given by a county as a holder of a certificate of purchase the notice shall be signed by the county treasurer or the county attorney, and when given by a city, it shall be signed by the city officer designated by resolution of the council. When the notice is given by the Iowa finance authority or a city or county agency holding the parcel as part of an Iowa homesteading project, it shall be signed on behalf of the agency or authority by one of its officers, as authorized in rules of the agency or authority.

2. Service of the notice shall be made by mail on any mortgagee having a lien upon the parcel, a vendor of the parcel under a recorded contract of sale, a lessor who has a recorded lease or recorded memorandum of a lease, and any other person who has an interest of record, at the person's last known address. The notice shall be served on any city where the parcel is situated. Notice shall not be served after the filing of the affidavit required by section 447.12. Only those persons who are required to be served the notice of expiration as provided in this section or who have acquired an interest in or possession of the parcel subsequent to the filing of the notice of expiration of the right of redemption are eligible to redeem a parcel from tax sale.

3. The county in which the parcel is located has the right of redemption for owner-occupied residential parcels as provided in this subsection. If a person is unable to contribute to the public revenue, the person may file a petition, duly sworn to, with the board of supervisors, stating that fact and giving a statement of parcels, as defined in section 445.1, owned or possessed by the petitioner, and other information as the board may require. The board of supervisors may order the county auditor to redeem a parcel owned or possessed by the petitioner from the holder of a certificate of purchase upon payment by the county to the certificate holder of the amount necessary to redeem under section 447.1. Each of the tax-levying and tax-certifying bodies having any interest in the taxes shall be charged with the total amount due the tax-levying or tax-certifying body as its just share of the purchase price, and that amount shall be deducted from the next month's disbursement made by the county to the tax-levying or tax-certifying body. Interest paid by the county to the certificate holder pursuant to section 447.1 shall be paid solely by the county and shall not be charged against the other tax-levying and tax-certifying bodies. Taxes charged and paid by the tax-levying or tax-certifying body in this manner shall be treated as suspended taxes pursuant to sections 427.8 through 427.12. Notwithstanding section 447.14, a county may redeem pursuant to this subsection for tax sales held before, on, or after July 1, 1998. A county may limit the number of times a taxpayer may file a petition for assistance under this subsection.

[R60, § 781; C73, § 894; C97, § 1441; S13, § 1441; C24, 27, 31, 35, 39, § **7279**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, § 447.9; 81 Acts, ch 117, § 1236]

83 Acts, ch 96, § 157, 159; 86 Acts, ch 1139, § 7; 86 Acts, ch 1241, § 43; 89 Acts, ch 66, §1; 90 Acts, ch 1203, § 3; 91 Acts, ch 191, §96; 95 Acts, ch 57, §21; 95 Acts, ch 67, §34; 97 Acts, ch 121, §22; 98 Acts, ch 1107, §30; 98 Acts, ch 1153, §2; 99 Acts, ch 29, §2, 3; 99 Acts, ch 83, §8, 10, 12; 2004 Acts, ch 1165, §8, 11, 12; 2006 Acts, ch 1070, §29

Footnotes

Management when county acquires deed, chapter 569

Service of original notice, R.C.P. 1.3021.315

2004 amendment to subsection 1 is effective May 17, 2004, and applies to delinquent property taxes sold at a tax sale held on or after that date; 2004 Acts, ch 1165, §11, 12

447.10 Service by publication fees.

If notice in accordance with section 447.9 cannot be served upon a person entitled to notice in the manner prescribed in that section, then the holder of the certificate of purchase shall cause the required notice to be published once in an official newspaper in the county. If service is made by publication, the affidavit required by section 447.12 shall state the reason why service in accordance with section 447.9 could not be made. Service of notice by publication shall be deemed complete on the day of the publication. Fees for publication, if required under section 447.13, shall not exceed the customary publication fees for official county publications.

[C73, § 894; C97, § 1441; S13, § 1441; C24, 27, 31, 35, 39, § **7280**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 447.10]

86 Acts, ch 1139, § 8; 97 Acts, ch 121, §23

447.11 Agent of nonresident.

A nonresident may in writing appoint a resident of the county in which the parcel is situated as agent, and file the appointment with the county treasurer of the county, who shall make note of the appointment in the county system, after which service of notice by certified and regular mail shall be made upon the agent.

[C73, § 894; C97, § 1441; S13, § 1441; C24, 27, 31, 35, 39, § **7281**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 447.11]

91 Acts, ch 191, §97; 2001 Acts, ch 45, §8

447.12 When service deemed complete presumption.

Service is complete only after an affidavit has been filed with the county treasurer, showing the making of the service, the manner of service, the time when and place where made, under whose direction the service was made, and costs incurred as provided in section 447.13. Costs not filed with the treasurer before a redemption is complete shall not be collected by the treasurer. Costs shall not be filed with the treasurer prior to the filing of the affidavit. The affidavit shall be made by the holder of the certificate or by the holder's agent or attorney, and in either of the latter cases stating that the affiant is the agent or attorney of the holder of the certificate. The affidavit shall be filed by the treasurer and entered in the county system and is presumptive evidence of the completed service of the notice. The right of redemption shall not expire until ninety days after service is complete. A redemption shall not be considered valid unless received by the treasurer prior to

the close of business on the ninetieth day from the date of completed service except in the case of a public bidder certificate held by the county in which case the county may accept a redemption at any time prior to the issuance of the tax deed. However, if the ninetieth day falls on a Saturday, Sunday, or a holiday, payment of the total redemption amount must be received by the treasurer before the close of business on the first business day following the ninetieth day. The date of postmark of a redemption shall not be considered as the day the redemption was received by the treasurer for purposes of the ninety-day time period. When the parcel is held by a city or county, a city or county agency, or the Iowa finance authority, for use in an Iowa homesteading project, whether or not the parcel is the subject of a conditional conveyance granted under the project, the affidavit shall be made by the treasurer of the county or the county attorney, a city officer designated by resolution of the council, or on behalf of the agency or authority, by one of its officers as authorized in rules of the agency or authority.

[C73, § 894; C97, § 1441; S13, § 1441; C24, 27, 31, 35, 39, § **7282**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, § 447.12; 81 Acts, ch 117, § 1237]

89 Acts, ch 66, §2; 91 Acts, ch 191, §98; 93 Acts, ch 73, §12; 2006 Acts, ch 1070, §30, 31

2006 amendment to this section takes effect April 20, 2006, and applies to parcels sold at tax sales held on or after June 1, 2006; 2006 Acts, ch 1070, §31

447.13 Cost fee report.

The cost of serving the notice, including the cost of sending certified mail notices, and the cost of publication under section 447.10, if publication is required, shall be added to the amount necessary to redeem. The cost of a record search shall also be added to the amount necessary to redeem. However, if the certificate holder is other than a county, the 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 county treasurer shall file the proof of service and statement of costs and record these costs against the parcel. The certificate holder or the holder's agent shall report in writing to the treasurer the amount of authorized costs incurred, and the treasurer shall file the statement. Costs not filed with the treasurer before a redemption is complete shall not be collected by the treasurer and may be recovered through a court action against the parcel owner by the certificate holder. If the parcel is held by a city or county, a city or county agency, or the Iowa finance authority, for use in an Iowa homesteading project, whether or not the parcel is the subject of a conditional conveyance granted under the project, the costs incurred for repairs and rehabilitation work required and undertaken in order to make the parcel meet applicable building or housing code standards shall be added to the amount necessary to redeem.

[C73, § 894; C97, § 1441; S13, § 1441; C24, 27, 31, 35, 39, § **7283**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, § 447.13; 81 Acts, ch 117, § 1238]

86 Acts, ch 1139, § 9; 91 Acts, ch 191, §99; 92 Acts, ch 1016, §32; 99 Acts, ch 83, §9; 2001 Acts, ch 45, §9, 11; 2005 Acts, ch 34, §20, 26

2005 amendment to this section takes effect April 19, 2005, and applies to parcels sold at tax sales occurring on or after June 1, 2005; 2005 Acts, ch 34, §26

447.14 Law in effect at time of sale.

The law in effect at the time of tax sale governs redemption.

92 Acts, ch 1016, §33

For provisions applicable to tax sale certificates of purchase in existence prior to April 19, 2005, see §446.37