

Senate File 265 - Enrolled

PAG LIN

SENATE FILE 265

1 1
1 2
1 3
1 4
1 5
1 6
1 7

AN ACT

RELATING TO DELINQUENT PROPERTY TAXES AND OTHER DUTIES OF
THE COUNTY TREASURER AND INCLUDING EFFECTIVE DATE AND
APPLICABILITY DATE PROVISIONS.

1 8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
1 9

1 10 Section 1. Section 311.18, Code 2005, is amended to read
1 11 as follows:

1 12 311.18 ASSESSMENT DELINQUENT == INTEREST.
1 13 The assessed taxes shall become delinquent from October 1
1 14 after their maturity ~~including those instances.~~ However, when
1 15 the last day of September is a Saturday or Sunday, the
1 16 assessed taxes shall become delinquent from the second
1 17 business day of October. Taxes assessed pursuant to this
1 18 chapter which become delinquent shall bear the same interest,
1 19 and be attended with the same rights and remedies for
1 20 collection, as ordinary taxes.

1 21 Sec. 2. Section 317.21, subsection 1, Code 2005, is
1 22 amended to read as follows:

1 23 1. Annually, after the weed commissioner has completed the
1 24 program of destruction of weeds by reason of noncompliance by
1 25 persons responsible for the destruction, the board of
1 26 supervisors shall determine as to each tract of real estate
1 27 the actual cost of labor and materials used by the
1 28 commissioner in cutting, burning, or otherwise destroying the
1 29 weeds, the cost of serving notice, and of special meetings or
1 30 proceedings, if any. To the total of all sums expended, the
1 31 board shall add an amount equal to twenty-five percent of that
1 32 total to compensate for the cost of supervision and
1 33 administration and assess the resulting sum against the tract
1 34 of real estate by a special tax, which shall be certified to
1 35 the county auditor and county treasurer by the clerk of the
2 1 board of supervisors, and shall be placed upon the tax books,
2 2 and collected, with interest after delinquent, in the same
2 3 manner as other unpaid taxes. The tax shall be due on March 1
2 4 after assessment, and shall be delinquent from April 1 after
2 5 due, ~~including those instances.~~ However, when the last day of
2 6 March is a Saturday or Sunday, such amount shall be delinquent
2 7 from the second business day of April. When collected, the
2 8 moneys shall be paid into the fund from which the costs were
2 9 originally paid.

2 10 Sec. 3. Section 321.20, unnumbered paragraph 1, Code 2005,
2 11 is amended to read as follows:

2 12 Except as provided in this chapter, an owner of a vehicle
2 13 subject to registration shall make application to the county
2 14 treasurer of the county of the owner's residence, or if a
2 15 nonresident, to the county treasurer of the county where the
2 16 primary users of the vehicle are located, or if a lessor of
2 17 the vehicle pursuant to chapter 321F which vehicle has a gross
2 18 vehicle weight of less than ten thousand pounds, to the county
2 19 treasurer of the county of the lessee's residence, for the
2 20 registration and issuance of a certificate of title for the
2 21 vehicle upon the appropriate form furnished by the department.
2 22 However, upon the transfer of ownership, the owner of a
2 23 vehicle subject to the proportional registration provisions of
2 24 chapter 326 shall make application for registration and
2 25 issuance of a certificate of title to either the department or
2 26 the appropriate county treasurer. The application shall be
2 27 accompanied by a fee of ten dollars, and shall bear the
2 28 owner's signature. A nonresident owner of two or more
2 29 vehicles subject to registration may make application for
2 30 registration and issuance of a certificate of title for all
2 31 vehicles subject to registration to the county treasurer of
2 32 the county where the primary user of any of the vehicles is
2 33 located. The owner of a mobile home or manufactured home
2 34 shall make application for a certificate of title under this
2 35 section from the county treasurer of the county where the
3 1 mobile home or manufactured home is located. The application

3 2 shall contain:

3 3 Sec. 4. Section 321.42, subsection 2, paragraph b, Code
3 4 2005, is amended to read as follows:

3 5 b. After five days, the department or county treasurer

3 6 shall issue a replacement copy using the applicant's most
3 7 recent bona fide address; however, the five-day waiting period
3 8 does not apply to an applicant who is a lienholder or to an
3 9 applicant who has surrendered the original certificate of
3 10 title to the department or county treasurer. The replacement
3 11 copy shall be clearly marked "replacement" and shall include
3 12 security interests and liens. When a replacement copy has
3 13 been issued, the previous certificate is void. The department
3 14 or county treasurer is not authorized to refund fees collected
3 15 for a replacement title under this section or section 321.52A.

3 16 Sec. 5. Section 321.46, subsection 1, Code 2005, is
3 17 amended to read as follows:

3 18 1. The transferee shall, within thirty calendar days after
3 19 purchase or transfer, apply for and obtain from the county
3 20 treasurer of the person's residence or, if a nonresident, the
3 21 county treasurer of the county where the primary users of the
3 22 vehicle are located or the county where all other vehicles
3 23 owned by the nonresident are registered, or, in the case of a
3 24 mobile home or manufactured home, the county treasurer of the
3 25 county where the mobile home or manufactured home is located,
3 26 a new registration and a new certificate of title for the
3 27 vehicle except as provided in section 321.25, 321.48, or
3 28 322G.12. The transferee shall present with the application
3 29 the certificate of title endorsed and assigned by the previous
3 30 owner and shall indicate the name of the county in which the
3 31 vehicle was last registered and the registration expiration
3 32 date.

3 33 Sec. 6. Section 321.47, unnumbered paragraph 1, Code 2005,
3 34 is amended to read as follows:

3 35 If ownership of a vehicle is transferred by operation of
4 1 law upon inheritance, devise or bequest, dissolution decree,
4 2 order in bankruptcy, insolvency, replevin, foreclosure or
4 3 execution sale, abandoned vehicle sale, or when the engine of
4 4 a motor vehicle is replaced by another engine, or a vehicle is
4 5 sold or transferred to satisfy an artisan's lien as provided
4 6 in chapter 577, a landlord's lien as provided in chapter 570,
4 7 a storage lien as provided in chapter 579, a judgment in an
4 8 action for abandonment of a manufactured or mobile home as
4 9 provided in chapter 555B, upon presentation of an affidavit
4 10 relating to the disposition of a valueless mobile, modular, or
4 11 manufactured home as provided in chapter 555C, or repossession
4 12 is had upon default in performance of the terms of a security
4 13 agreement, the county treasurer in the transferee's county of
4 14 residence or, in the case of a mobile home or manufactured
4 15 home, the county treasurer of the county where the mobile home
4 16 or manufactured home is located, upon the surrender of the
4 17 prior certificate of title or the manufacturer's or importer's
4 18 certificate, or when that is not possible, upon presentation
4 19 of satisfactory proof to the county treasurer of ownership and
4 20 right of possession to the vehicle and upon payment of a fee
4 21 of ten dollars and the presentation of an application for
4 22 registration and certificate of title, may issue to the
4 23 applicant a registration card for the vehicle and a
4 24 certificate of title to the vehicle. A person entitled to
4 25 ownership of a vehicle under a decree of dissolution shall
4 26 surrender a reproduction of a certified copy of the
4 27 dissolution and upon fulfilling the other requirements of this
4 28 chapter is entitled to a certificate of title and registration
4 29 receipt issued in the person's name.

4 30 Sec. 7. Section 331.553, subsection 6, Code 2005, is
4 31 amended to read as follows:

4 32 6. Require a payor or an agent of a payor to make payment
4 33 by electronic transfer of the funds through the county
4 34 treasurer's authorized website when the payment totals ~~one~~
4 35 ~~hundred fifty~~ thousand dollars or more.

5 1 Sec. 8. Section 331.553, Code 2005, is amended by adding
5 2 the following new subsection:

5 3 NEW SUBSECTION. 7. Treat a payment made by electronic
5 4 funds transfer as if it were a paper check for purposes of
5 5 section 554.3512.

5 6 Sec. 9. Section 384.60, subsection 2, Code 2005, is
5 7 amended to read as follows:

5 8 2. On or before the second publication of the notice, the
5 9 clerk shall send by mail to each property owner whose property
5 10 is subject to assessment for the improvement, as shown by the
5 11 records in the office of the county auditor, a copy of the
5 12 notice. The notice shall also include a statement in
5 13 substance that assessments may be paid in full or in part
5 14 without interest within thirty days after the date of the
5 15 first notice of the final assessment schedule, and thereafter
5 16 all unpaid special assessments bear interest at the rate

5 17 specified by the council, but not exceeding that permitted by
5 18 chapter 74A, computed to the December 1 next following the due
5 19 dates of the respective installments as provided in section
5 20 384.65, subsection 3, and each installment will be delinquent
5 21 from October 1 following its due date, ~~including those~~
~~5 22 instances.~~ However, when the last day of September is a
5 23 Saturday or Sunday, and that amount shall be delinquent from
5 24 the second business day of October. Delinquent installments
5 25 will draw ~~additionally~~ the same delinquent interest as
5 26 ordinary taxes. The notice shall also state substantially
5 27 that property owners may elect to pay any installment
5 28 semiannually in advance. If a property is shown by the
5 29 records to be in the name of more than one owner at the same
5 30 mailing address, a single notice may be mailed to all owners
5 31 at that address. Failure to receive a mailed notice is not a
5 32 defense to the special assessment or interest due on the
5 33 special assessment.

5 34 Sec. 10. Section 384.65, subsection 4, Code 2005, is
5 35 amended to read as follows:

6 1 4. Each installment of an assessment with interest on the
6 2 unpaid balance is delinquent from October 1 after its due
6 3 date, ~~including those instances when the last day of September~~
~~6 4 is a Saturday or Sunday,~~ and bears the same delinquent
6 5 interest as ordinary taxes. However, when the last day of
6 6 September is a Saturday or Sunday, the unpaid balance of the
6 7 installment is delinquent from the second business day of
6 8 October after its due date. When collected, the interest must
6 9 be credited to the same fund as the special assessment.

6 10 To avoid interest on delinquent special assessment
6 11 installments, a payment of the full installment amount must be
6 12 received by the treasurer on or before the last business day
6 13 of the month preceding the delinquent date, or mailed with
6 14 appropriate postage and applicable fees paid, and a United
6 15 States postal service postmark affixed to the payment
6 16 envelope, with the postmark bearing a date preceding the
6 17 delinquent date. Items returned to the sender by the United
6 18 States postal service for insufficient postage or applicable
6 19 fees shall be assessed interest, unless the appropriate
6 20 postage and fees are paid and the items are postmarked again
6 21 before the delinquent date. However, if the last calendar day
6 22 of a month falls on a Saturday, Sunday, or a holiday, that
6 23 amount becomes delinquent on the second business day of the
6 24 following month.

6 25 To avoid interest on current or delinquent special
6 26 assessment installments, for payments made through a county
6 27 treasurer's authorized website only, if the last day of the
6 28 month falls on a Saturday, Sunday, or a holiday, the
6 29 electronic payment must be initiated by midnight on the first
6 30 business day of the next month. All other electronic payments
6 31 must be initiated by midnight on the last day of the month
6 32 preceding the delinquent date.

6 33 Sec. 11. Section 435.24, subsection 6, Code 2005, is
6 34 amended to read as follows:

6 35 6. a. As an alternative to the semiannual or annual
7 1 payment of taxes, the county treasurer may accept partial
7 2 payments of current year home taxes. ~~A minimum payment amount~~
~~7 3 shall be established by the treasurer.~~ The treasurer shall
7 4 transfer amounts from each taxpayer's account to be applied to
7 5 each semiannual tax installment prior to the delinquency dates
7 6 specified in section 445.37 and the amounts collected shall be
7 7 apportioned by the tenth of the month following transfer. If,
7 8 prior to the due date of each semiannual installment, the
7 9 account balance is insufficient to fully satisfy the
7 10 installment, the treasurer shall transfer and apply the entire
7 11 account balance, leaving an unpaid balance of the installment.
7 12 Interest shall attach on the unpaid balance in accordance with
7 13 section 445.39. Unless funds sufficient to fully satisfy the
7 14 delinquency are received, the treasurer shall collect the
7 15 unpaid balance as provided in sections 445.3 and 445.4 and
7 16 chapter 446. Any remaining balance in a taxpayer's account in
7 17 excess of the amount needed to fully satisfy an installment
7 18 shall remain in the account to be applied toward the next
7 19 semiannual installment. Any interest income derived from the
7 20 account shall be deposited in the county's general fund to
7 21 cover administrative costs. The treasurer shall send a notice
7 22 with the tax statement or by separate mail to each taxpayer
7 23 stating that, upon request to the treasurer, the taxpayer may
7 24 make partial payments of current year home taxes.

7 25 b. Partial payment of taxes which are delinquent may be
7 26 made to the county treasurer. ~~A minimum payment amount shall~~
~~7 27 be established by the treasurer.~~ ~~The minimum payment must be~~

~~7 28 equal to or exceed the interest, fees, and costs attributed to
7 29 the oldest delinquent installment of the tax and For the
7 30 installment being paid, payment shall first be applied toward
7 31 any interest, fees, and costs accrued and the remainder
7 32 applied to the tax due. A partial payment must equal or
7 33 exceed the interest, fees, and costs of the installment being
7 34 paid. A partial payment made under this paragraph shall be~~

7 35 apportioned in accordance with section 445.57. If the payment
8 1 does not include the whole of any installment of the
8 2 delinquent tax, the unpaid tax shall continue to accrue
8 3 interest pursuant to section 445.39. Partial payment shall
8 4 not be permitted in lieu of redemption if the property has
8 5 been sold for taxes under chapter 446 and under any
8 6 circumstances shall not constitute an extension of the time
8 7 period for a sale under chapter 446.

8 8 Sec. 12. Section 445.5, subsection 2, unnumbered paragraph
8 9 2, Code 2005, is amended to read as follows:

8 10 The treasurer may negotiate and charge a reasonable fee not
8 11 to exceed the cost of producing the information for ~~the a~~
8 12 requestor described in paragraphs "c" through "e", for a tax
8 13 statement or tax statement information provided by the
8 14 treasurer.

8 15 Sec. 13. Section 445.5, Code 2005, is amended by adding
8 16 the following new subsection:

8 17 NEW SUBSECTION. 3A. The titleholder may make written
8 18 request to the treasurer to have the tax statement delivered
8 19 to a person or entity in lieu of to the titleholder. A fee
8 20 shall not be charged by the treasurer for delivering the tax
8 21 statement to such person in lieu of to the titleholder.

8 22 Sec. 14. Section 445.36A, Code 2005, is amended to read as
8 23 follows:

8 24 445.36A PARTIAL PAYMENTS.

8 25 1. As an alternative to the semiannual or annual payment
8 26 of taxes, the county treasurer may accept partial payments of
8 27 taxes. ~~A minimum payment amount shall be established by the~~

~~8 28 treasurer.~~ The treasurer shall transfer amounts from each
8 29 taxpayer's account to be applied to each semiannual tax
8 30 installment prior to the delinquency dates specified in
8 31 section 445.37 and the amounts collected shall be apportioned
8 32 by the tenth of the month following transfer. If, prior to
8 33 the due date of each semiannual installment, the account
8 34 balance is insufficient to fully satisfy the installment, the
8 35 treasurer shall transfer and apply the entire account balance,
9 1 leaving an unpaid balance of the installment. Interest shall
9 2 attach on the unpaid balance in accordance with section
9 3 445.39. Unless funds sufficient to fully satisfy the
9 4 delinquency are received, the treasurer shall collect the
9 5 unpaid balance as provided in sections 445.3 and 445.4 and
9 6 chapter 446. Any remaining balance in a taxpayer's account in
9 7 excess of the amount needed to fully satisfy an installment
9 8 shall remain in the account to be applied toward the next
9 9 semiannual installment. Any interest income derived from the
9 10 account shall be deposited in the county's general fund to
9 11 cover administrative costs. The treasurer shall send a notice
9 12 with the tax statement or by separate mail to each taxpayer
9 13 stating that, upon request to the treasurer, the taxpayer may
9 14 make partial payments of taxes.

9 15 2. Partial payment of taxes which are delinquent may be
9 16 made to the county treasurer. ~~A minimum payment amount shall~~
~~9 17 be established by the treasurer. The minimum payment must be~~
~~9 18 equal to or exceed the interest and costs attributed to the~~
~~9 19 oldest delinquent installment of the tax and For the~~
~~9 20 installment being paid, payment shall first be applied to any~~
~~9 21 interest, fees, and costs accrued and the remainder applied to~~
~~9 22 the taxes due. A partial payment must equal or exceed the~~
~~9 23 amount of interest, fees, and costs of the installment being~~
~~9 24 paid. A partial payment made under this subsection shall be~~

9 25 apportioned in accordance with section 445.57. If the payment
9 26 does not include the whole of any installment of the
9 27 delinquent tax, the unpaid tax shall continue to accrue
9 28 interest pursuant to section 445.39. Partial payment shall
9 29 not be permitted in lieu of redemption if the property has
9 30 been sold for taxes under chapter 446 and under any
9 31 circumstances shall not constitute an extension of the time
9 32 period for a sale under chapter 446.

9 33 Current year taxes may be paid at any time regardless of
9 34 any outstanding prior year delinquent tax.

9 35 This section does not apply to the payment of manufactured
10 1 or mobile home taxes, special assessments, or rates or
10 2 charges.

10 3 Sec. 15. Section 446.16, subsection 1, Code 2005, is

10 4 amended to read as follows:

10 5 1. The person who offers to pay the total amount due,
10 6 which is a lien on any parcel, for the smallest percentage of
10 7 the parcel is the purchaser, and when the purchaser designates
10 8 the percentage of any parcel for which the purchaser will pay
10 9 the total amount due, the percentage thus designated shall
10 10 give the person an undivided interest upon the issuance of a
10 11 treasurer's deed, as provided in chapter 448. If two or more
10 12 persons have placed an equal bid and the bids are the smallest
10 13 percentage offered, the county treasurer shall use a random
10 14 selection process to select the bidder to whom a certificate
10 15 of purchase will be issued. The percentage that may be
10 16 designated by any purchaser under this subsection shall not be
10 17 less than one percent.

10 18 Sec. 16. Section 446.19A, subsections 1 through 4, Code
10 19 2005, are amended to read as follows:

10 20 1. The board of supervisors of a county may adopt an
10 21 ordinance authorizing the county and each city in the county
10 22 to bid on and purchase delinquent taxes and to assign tax sale
10 23 certificates of abandoned property or vacant lots. This
10 24 section may only be used by a county or by a city in the
10 25 county if such an ordinance is in effect.

10 26 2. On the day of the regular tax sale or any continuance
10 27 or adjournment of the tax sale, the county or a city may bid
10 28 for abandoned property assessed as residential property or as
10 29 commercial multifamily housing property or for a vacant lot a
10 30 sum equal to the total amount due. Money shall not be paid by
10 31 the county or city for the purchase, but each of the tax=
10 32 levying and tax-certifying bodies having any interest in the
10 33 taxes shall be charged with the total amount due the tax=
10 34 levying or tax-certifying body as its just share of the
10 35 purchase price. Prior to the purchase, the county or city
11 1 shall file with the county treasurer a verified statement that
11 2 a parcel to be purchased is abandoned ~~and deteriorating in~~
~~11 3 condition or is, or is likely to become, a public nuisance~~
11 4 property, and that the parcel is suitable for use as housing
11 5 following rehabilitation or that a parcel to be purchased is a
11 6 vacant lot.

11 7 3. If after the date that a parcel is sold pursuant to
11 8 this chapter, or after the date that a parcel is sold under
11 9 section 446.18, 446.38, or 446.39, the parcel assessed as
11 10 residential property or as commercial multifamily housing
11 11 property is identified as abandoned or as a vacant lot
11 12 pursuant to a verified statement filed with the county
11 13 treasurer by a city or county in the form set forth in
11 14 subsection 2, a city or county may require the assignment of
11 15 the tax sale certificate that had been issued for such parcel
11 16 by paying to the holder of such certificate the total amount
11 17 due on the date the assignment of the certificate is made to
11 18 the county or city and recorded with the county treasurer. If
11 19 a certificate holder fails to assign the certificate of
11 20 purchase to the city or county, the county treasurer is
11 21 authorized to issue a duplicate certificate of purchase, which
11 22 shall take the place of the original certificate, and assign
11 23 the duplicate certificate to the city or county. If the
11 24 certificate is not assigned by the county or city pursuant to
11 25 subsection 4, the county or city, whichever is applicable, is
11 26 liable for the tax sale interest that was due the certificate
11 27 holder pursuant to section 447.1, as of the date of
11 28 assignment.

11 29 4. a. The city or county may assign the tax sale
11 30 certificate obtained pursuant to this section. Persons who
11 31 purchase certificates from the city or county under this
11 32 subsection are liable for the total amount due the certificate
11 33 holder pursuant to section 447.1.

11 34 b. All persons who purchase certificates from the city or
11 35 county under this subsection shall demonstrate the intent to
12 1 rehabilitate the abandoned property for habitation or build a
12 2 residential structure on the vacant lot if the property is not
12 3 redeemed. In the alternative, the county or city may, if
12 4 title to the property has vested in the county or city under
12 5 section 448.1, dispose of the property in accordance with
12 6 section 331.361 or 364.7, as applicable.

12 7 Sec. 17. Section 446.19A, subsection 5, Code 2005, is
12 8 amended by striking the subsection and inserting in lieu
12 9 thereof the following:

12 10 5. For purposes of this section:

12 11 a. "Abandoned property" means a lot or parcel containing a
12 12 building which is used or intended to be used for residential
12 13 purposes and which has remained vacant and has been in
12 14 violation of the housing code of the city in which the

12 15 property is located or of the housing code applicable in the
12 16 county in which the property is located if outside the limits
12 17 of a city, for a period of six consecutive months.
12 18 b. "Vacant lot" means a lot or parcel located in a city or
12 19 outside the limits of a city in a county that contains no
12 20 buildings or structures and that is zoned to allow for
12 21 residential structures.

12 22 Sec. 18. Section 446.37, Code 2005, is amended to read as
12 23 follows:

12 24 446.37 FAILURE TO OBTAIN DEED == CANCELLATION OF SALE.

12 25 After three years have elapsed from the time of any tax
12 26 sale, and ~~action has not been completed during the time which~~
~~12 27 qualifies the holder of a certificate to obtain a deed the~~
~~12 28 holder of a certificate has not filed an affidavit of service~~
~~12 29 of notice of expiration of right of redemption under section~~
12 30 447.12, the county treasurer shall cancel the sale from the
12 31 county system. However, this if the filing of affidavit of
12 32 service is stayed by operation of law, the time period for the
12 33 filing of the affidavit shall not expire until the later of
12 34 six months after the stay has been lifted or three years from
12 35 the time of the tax sale. This section does not apply to

13 1 certificates of purchase at tax sale which are held by a
13 2 county.

13 3 Sec. 19. Section 447.8, Code 2005, is amended by striking
13 4 the section and inserting in lieu thereof the following:

13 5 447.8 REDEMPTION AFTER DELIVERY OF DEED.

13 6 1. After the delivery of the treasurer's deed, a person
13 7 entitled to redeem a parcel sold at tax sale shall do so only
13 8 by an equitable action in the district court of the county
13 9 where the parcel is located. The action may be maintained
13 10 only by a person who was entitled to redeem the parcel during
13 11 the ninety-day redemption period in section 447.12, except
13 12 that such a person may assign the person's right of redemption
13 13 or right to maintain the action to another person.

13 14 In order to establish the right to redeem, the person
13 15 maintaining the action shall be required to prove to the court
13 16 either that the person maintaining the action or a predecessor
13 17 in interest was not properly served with notice in accordance
13 18 with the requirements of sections 447.9 through 447.12, or
13 19 that the person maintaining the action or a predecessor in
13 20 interest acquired an interest in or possession of the parcel
13 21 during the ninety-day redemption period in section 447.12. A
13 22 person shall not be entitled to maintain such action by
13 23 claiming that a different person was not properly served with
13 24 notice of expiration of right of redemption, if the person
13 25 seeking to maintain the action, or the person's predecessor in
13 26 interest, if applicable, was properly served with the notice.
13 27 A person is not allowed to redeem a parcel sold for delinquent
13 28 taxes in any other manner after the execution and delivery of
13 29 the treasurer's deed.

13 30 2. The person maintaining the action shall name as
13 31 defendants all persons claiming an interest in the parcel
13 32 derived from the tax sale, as shown by the record.

13 33 3. If the court determines that notice was properly
13 34 served, the court shall enter judgment holding that all rights
13 35 of redemption are terminated and that the validity of the tax
14 1 title or purported tax title is conclusively established as a
14 2 matter of law.

14 3 4. If the court determines that notice was not properly
14 4 served and that the person maintaining the action is entitled
14 5 to redeem, the court shall so order. The order shall
14 6 determine the rights, claims, and interests of all parties,
14 7 including liens for taxes and claims for improvements made on
14 8 or to the parcel by the person claiming under the tax title.
14 9 The order shall establish the amount necessary to effect
14 10 redemption. The redemption amount shall include the amount
14 11 for redemption computed in accordance with section 447.1,
14 12 including interest computed up to and including the date of
14 13 payment of the total redemption amount to the clerk of court;
14 14 the amount of all costs added to the redemption amount in
14 15 accordance with section 447.13; and, in the event that the
14 16 person claiming under the tax title has made improvements on
14 17 or to the parcel after the treasurer's deed was issued, an
14 18 amount equal to the value of all such improvements. The order
14 19 shall direct that the person maintaining the action shall pay
14 20 to the clerk of court, within thirty days after the date of
14 21 the order, the total redemption amount established in the
14 22 order.

14 23 5. Upon timely receipt of the payment, the court shall
14 24 enter judgment declaring the treasurer's deed to be invalid
14 25 and determining the resulting rights, claims, and interests of

14 26 all parties to the action. In its judgment, the court shall
14 27 direct the clerk of court to deliver the entire amount of the
14 28 redemption payment to the person who previously claimed title
14 29 under the treasurer's deed.

14 30 If the person maintaining the action fails to timely
14 31 deliver payment of the total redemption amount to the clerk of
14 32 court, the court shall enter judgment holding that all rights
14 33 of redemption are terminated and that the validity of the tax
14 34 title or purported tax title is conclusively established as a
14 35 matter of law. No subsequent action shall be brought to

15 1 challenge the treasurer's deed or to recover the parcel.

15 2 6. If an affidavit is filed pursuant to section 448.15 and
15 3 if the time period for filing a claim under section 448.16
15 4 expires with no claims having been filed, all persons are
15 5 thereafter barred and estopped from commencing an action under
15 6 this section.

15 7 Sec. 20. Section 447.13, Code 2005, is amended to read as
15 8 follows:

15 9 447.13 COST == FEE == REPORT.

15 10 The cost of servicing the notice, including the cost of
15 11 sending certified mail notices, and the cost of publication
15 12 under section 447.10, if publication is required, shall be
15 13 added to the amount necessary to redeem. The cost of a record
15 14 search shall also be added to the amount necessary to redeem.
15 15 However, if the certificate holder is other than a county, the
15 16 search must be performed by an abstractor who is an active
15 17 participant in the title guaranty program under section 16.91
15 18 or by an attorney licensed to practice law in the state of
15 19 Iowa, and the amount of the cost of the record search that may
15 20 be added to the amount necessary to redeem shall not exceed
15 21 three hundred dollars.

15 22 PARAGRAPH DIVIDED. The county treasurer shall file the
15 23 proof of service and statement of costs and record these costs
15 24 against the parcel. The certificate holder or the holder's
15 25 agent shall report in writing to the treasurer the amount of
15 26 authorized costs incurred, and the treasurer shall file the
15 27 statement. Costs not filed with the treasurer before a
15 28 redemption is complete shall not be collected by the treasurer
15 29 and may be recovered through a court action against the parcel
15 30 owner by the certificate holder. If the parcel is held by a
15 31 city or county, a city or county agency, or the Iowa finance
15 32 authority, for use in an Iowa homesteading project, whether or
15 33 not the parcel is the subject of a conditional conveyance
15 34 granted under the project, the costs incurred for repairs and
15 35 rehabilitation work required and undertaken in order to make
16 1 the parcel meet applicable building or housing code standards
16 2 shall be added to the amount necessary to redeem.

16 3 ~~For tax sale certificates of purchase held by a county, the~~
16 4 ~~cost of a record search and the cost of serving the notice,~~
16 5 ~~including the cost of mailing certified mail notices and the~~
16 6 ~~cost of publication under section 447.10, if publication is~~
16 7 ~~required, shall be added to the amount necessary to redeem.~~

16 8 Sec. 21. Section 448.6, Code 2005, is amended by striking
16 9 the section and inserting in lieu thereof the following:

16 10 448.6 ACTION TO CHALLENGE TREASURER'S DEED.

16 11 1. A deed executed by the county treasurer in conformity
16 12 with the requirements of sections 448.2 and 448.3 shall be
16 13 presumed to effect a valid title conveyance, and the
16 14 treasurer's deed may be challenged only by an equitable action
16 15 in the district court in the county in which the parcel is
16 16 located. If the action seeks an order of the court to allow
16 17 redemption after delivery of the treasurer's deed based on
16 18 improper service of notice of expiration of right of
16 19 redemption, the action shall be brought in accordance with
16 20 section 447.8. If the action is not brought on that basis,
16 21 the action shall be controlled by the provisions of this
16 22 section.

16 23 2. A person shall not be permitted to maintain the action
16 24 unless the person establishes that the person, or the person
16 25 under whom the person claims title, had title to the parcel at
16 26 the time of the sale, or that the title was obtained from the
16 27 United States or this state after the sale, and that all
16 28 amounts due upon the parcel for the applicable tax years have
16 29 been paid by that person or by the person under whom that
16 30 person claims title.

16 31 3. The person maintaining the action shall name as
16 32 defendants the holder of the tax title and the treasurer of
16 33 the county in which the parcel is located.

16 34 4. The person challenging the deed shall be required to
16 35 prove, in order to invalidate the deed, any of the following:

17 1 a. That the parcel was not subject to taxes for the year

17 2 or years named in the deed.
17 3 b. That the taxes had been paid before the sale.
17 4 c. That the parcel had been redeemed from the sale and
17 5 that the redemption was made for the use and benefit of
17 6 persons having the right of redemption.
17 7 d. That there had been an entire omission to list or
17 8 assess the parcel, or to levy the taxes, or to give notice of
17 9 the sale, or to sell the parcel.

17 10 5. If the court determines that the person challenging the
17 11 treasurer's deed has established one or more of the elements
17 12 required under subsection 4 to be proven in order to
17 13 invalidate the deed, the court shall enter judgment declaring
17 14 the deed to be invalid. The judgment shall order the
17 15 treasurer to refund to the person claiming under the tax title
17 16 all sums paid to the treasurer for the purchase of the tax
17 17 sale certificate and for any subsequent taxes paid by the
17 18 certificate holder. If the person claiming under the tax
17 19 title is determined by the court to have made improvements to
17 20 the parcel, the court shall enter judgment in favor of the
17 21 person claiming under the tax title for an amount equal to the
17 22 value of such improvements made after the treasurer's deed was
17 23 issued, and such judgment shall be a lien on the parcel until
17 24 paid.

17 25 6. If an affidavit is filed pursuant to section 448.15,
17 26 and if the time period for filing a claim under section 448.16
17 27 expires with no claims having been filed, all persons are
17 28 thereafter barred and estopped from commencing an action under
17 29 this section.

17 30 Sec. 22. Section 448.12, Code 2005, is amended to read as
17 31 follows:

17 32 448.12 LIMITATION OF ACTIONS.
17 33 An action under section 447.8 or 448.6 or for the recovery
17 34 of a parcel sold for the nonpayment of taxes shall not be
17 35 brought after three years from the execution and recording of
18 1 the county treasurer's deed, ~~unless the owner is, at the time~~
18 2 ~~of the sale, a minor, a person with mental illness, or an~~
18 3 ~~inmate in an adult correctional institution, in which case the~~
18 4 ~~action must be brought within three years after the disability~~
18 5 ~~is removed.~~

18 6 ~~This section, as amended by 1991 Iowa Acts, chapter 191,~~
18 7 ~~section 111, is effective for parcels sold at tax sales~~
18 8 ~~occurring on or after April 1, 1992, and for disabilities~~
18 9 ~~removed on or after April 1, 1992. For tax sales occurring~~
18 10 ~~prior to April 1, 1992, the provisions of this section in~~
18 11 ~~effect on the date of the tax sale apply.~~

18 12 Sec. 23. Section 448.15, Code 2005, is amended to read as
18 13 follows:

18 14 448.15 AFFIDAVIT BY TAX=TITLE HOLDER.
18 15 1. Immediately After taking possession of the parcel,
18 16 after the issuance and recording of a tax deed or an
18 17 instrument purporting to be a tax deed issued by a county
18 18 treasurer of this state, the then owner or holder of the title
18 19 or purported title may file with the county recorder of the
18 20 county in which the parcel is located an affidavit
18 21 substantially in the following form:
18 22 State of Iowa,)
18 23 County.) ss.

18 24 I,, being first duly sworn, on oath depose and
18 25 say that on (date) the county treasurer issued a tax
18 26 deed to (grantee) for
18 27 the following described parcel:
18 28;
18 29 that the tax deed was filed for record in the office of the
18 30 county recorder of county, Iowa, on (date), and
18 31 appears in the records of the office in county as
18 32 recorded in Book Page of the Records; and
18 33 that claims title to an undivided percent interest
18 34 in the parcel by virtue of the tax deed, or purported tax
18 35 title.

19 1 Any person claiming any right, title, or interest in or to
19 2 the parcel adverse to the title or purported title by virtue
19 3 of the tax deed referred to shall file a claim with the
19 4 recorder of the county where the parcel is located, within one
19 5 hundred twenty days after the filing of this affidavit, the
19 6 claim to set forth the nature of the interest, also the time
19 7 and manner in which the interest claimed was acquired. A
19 8 person who files such a claim shall commence an action to
19 9 enforce the claim within sixty days after the filing of the
19 10 claim. If a claimant fails to file a claim within one hundred
19 11 twenty days after the filing of this affidavit, or files a
19 12 claim but fails to commence an action to enforce the claim

19 13 within sixty days after the filing of the claim, the claim
19 14 thereafter shall be forfeited and cancelled without any
19 15 further notice or action, and the claimant thereafter shall be
19 16 forever barred and estopped from having or claiming any right,
19 17 title, or interest in the parcel adverse to the tax title or
19 18 purported tax title.

19 19
19 20 Subscribed and sworn to before me this day of
19 21 (month), ... (year).

19 22
19 23 Notary Public in and for
19 24 County, Iowa.

19 25 2. An owner or holder of a title or purported title who
19 26 has entered into a lease agreement conveying possessory rights
19 27 in the parcel to a tenant in possession shall be deemed to be
19 28 in possession for purposes of filing an affidavit under this
19 29 section.

19 30 3. For purposes of this section, if a tax deed or
19 31 instrument purporting to be a tax deed has been issued to
19 32 convey an undivided interest in the parcel of less than one
19 33 hundred percent, the owner or holder of the tax title or
19 34 purported tax title shall be deemed to be in possession and
19 35 entitled to file the affidavit in subsection 1. However,
20 1 before filing the affidavit, the owner or holder of the tax
20 2 title or purported tax title shall serve a copy of the
20 3 affidavit on any other person in possession of the parcel by
20 4 sending a copy of the affidavit by both regular and certified
20 5 mail to the person at the address of the parcel or at the
20 6 person's last known address if different from the address of
20 7 the parcel. Such service is deemed completed when the
20 8 affidavit mailed by certified mail is postmarked for delivery.
20 9 An affidavit of service shall be attached to, and filed with,
20 10 the affidavit in subsection 1. The affidavit of service shall
20 11 include the names and addresses of all persons served and the
20 12 time of mailing.

20 13 Sec. 24. Section 448.16, Code 2005, is amended to read as
20 14 follows:

20 15 448.16 CLAIMS ADVERSE TO TAX TITLE BARRED.

20 16 1. When the affidavit described in section 448.15 is filed
20 17 it shall be notice to all persons, and any person claiming any
20 18 right, title, or interest in or to the parcel described
20 19 adverse to the title or purported title by virtue of the tax
20 20 deed referred to, shall file a claim with the county recorder
20 21 of the county in which the parcel is located within one
20 22 hundred twenty days after the filing of the affidavit, which
20 23 claim shall set forth the nature of the interest, the time
20 24 when and the manner in which the interest was acquired.

20 25 2. At the expiration of the period of one hundred twenty
20 26 days, if no such claim has been filed, the validity of the tax
20 27 title or purported tax title shall be conclusively established
20 28 as a matter of law, and all persons shall thereafter be
20 29 forever barred and estopped from having or claiming any right,
20 30 title, or interest in the parcel adverse to the tax title or
20 31 purported tax title, and no including but not limited to any
20 32 claim alleging improper service of notice of expiration of
20 33 right of redemption. An action shall not thereafter be
20 34 brought to recover the parcel, and the then tax-title owner or
20 35 owner of the purported challenge the tax deed or tax title
21 1 shall also have acquired title to the parcel by adverse
21 2 possession.

21 3 3. An action to enforce a claim filed under subsection 1
21 4 shall be commenced within sixty days after the date of filing
21 5 the claim. The action may be commenced by the claimant, or a
21 6 person under whom the claimant claims title, under either
21 7 section 447.8 or 448.6. If an action by the claimant, or such
21 8 other person, is not filed within sixty days after the filing
21 9 of the claim, the claim thereafter shall be forfeited and
21 10 cancelled without any further notice or action, and the
21 11 claimant, or the person under whom the claimant claims title,
21 12 thereafter shall be forever barred and estopped from having or
21 13 claiming any right, title, or interest in the parcel adverse
21 14 to the tax title or purported tax title.

21 15 Sec. 25. Section 448.7, Code 2005, is repealed.

21 16 Sec. 26. EFFECTIVE DATE AND APPLICABILITY DATE PROVISIONS.

21 17 1. This Act, being deemed of immediate importance, takes
21 18 effect upon enactment.

21 19 2. The section of the Act amending section 446.37 applies
21 20 to tax sale certificates of purchase in existence before the
21 21 effective date of the Act, notwithstanding section 447.14, and
21 22 to tax sale certificates of purchase issued on or after the
21 23 effective date of the Act.

21 24 3. The remainder of this Act applies to parcels sold at
21 25 tax sales occurring on or after June 1, 2005.

21 26
21 27
21 28
21 29
21 30
21 31
21 32
21 33
21 34
21 35

JOHN P. KIBBIE
President of the Senate

CHRISTOPHER C. RANTS
Speaker of the House

22 1
22 2 I hereby certify that this bill originated in the Senate and
22 3 is known as Senate File 265, Eighty-first General Assembly.

22 4
22 5
22 6

MICHAEL E. MARSHALL
Secretary of the Senate

22 7
22 8
22 9 Approved _____, 2005

22 10
22 11

22 12
22 13 THOMAS J. VILSACK
22 14 Governor