

FILED MAR 11 1997

SENATE FILE 407
BY JUDGE

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to costs associated with certain property
2 acquired by tax deed.

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

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S.F. 407

1 Section 1. Section 364.7, Code 1997, is amended to read as
2 follows:

3 364.7 DISPOSAL OF PROPERTY.

4 1. A city ~~may~~ shall not dispose of an interest in real
5 property by sale, lease for a term of more than three years,
6 or gift, except in accordance with the following procedure:

7 ~~1-~~ a. The council shall set forth its proposal in a
8 resolution and shall publish notice as provided in section
9 362.3, of the resolution and of a date, time and place of a
10 public hearing on the proposal.

11 ~~2-~~ b. After the public hearing, the council may make a
12 final determination on the proposal by resolution.

13 ~~3-~~ c. A city ~~may~~ shall not dispose of real property by
14 gift except to a governmental body for a public purpose.
15 However, a city may dispose of real property for use in an
16 Iowa homesteading program under section 16.14 for a nominal
17 consideration, including but not limited to property in an
18 urban renewal area.

19 2. Transfer of title by a city of a parcel acquired by tax
20 deed shall comply with this subsection.

21 a. When title to a parcel acquired by tax deed is
22 transferred, the auditor shall immediately record the deed and
23 the assessor shall enter on the tax list the parcel to be
24 assessed following the assessment date.

25 b. A parcel the city holds by tax deed shall not be
26 assessed or taxed until transferred.

27 c. The transfer by a city of a parcel acquired by tax deed
28 gives the purchaser free title as to previously levied taxes.

29 d. The proceeds of the sale shall be credited to the
30 general fund of the city.

31 e. If the amount in paragraph "d" after deduction of all
32 other costs incurred is not sufficient to pay the cost
33 incurred by the city for repairs and rehabilitation work
34 required and undertaken in order to make the parcel meet
35 applicable building or housing code standards, tax collections

1 on the property, once it returns to the property tax rolls,
2 shall not be distributed to the other tax certifying bodies of
3 the taxing districts in which the parcel is located, but shall
4 be deposited in the general fund of the city until such costs
5 are reimbursed.

6 Sec. 2. Section 569.8, Code 1997, is amended by adding the
7 following new subsection:

8 NEW SUBSECTION. 6. If the amount in subsection 5 after
9 deduction of all other costs incurred is not sufficient to pay
10 the cost incurred by the county for repairs and rehabilitation
11 work required and undertaken in order to make the parcel meet
12 applicable building or housing code standards, tax collections
13 on the property, once it returns to the tax rolls, shall not
14 be distributed to the other tax certifying bodies of the
15 taxing districts in which the parcel is located, but shall be
16 deposited in the general fund of the county until such costs
17 are reimbursed.

18 EXPLANATION

19 This bill provides that when a parcel acquired by tax deed
20 by a city or county is transferred and placed back on the tax
21 rolls, the tax collections shall not be distributed to the
22 other tax-certifying bodies until the costs incurred for
23 repair and rehabilitation of the parcel are reimbursed to the
24 city or county.

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