

3/18/97 Local Hos.

FILED MAR 18 1997

SENATE FILE 517

BY CONNOLLY

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
 Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
 Approved \_\_\_\_\_

A BILL FOR

1 An Act relating to bidding procedures at tax sales.  
 2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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S.F. 517

1 Section 1. Section 446.16, Code 1997, is amended to read  
2 as follows:

3 446.16 BID -- PURCHASER.

4 1. The person who offers to pay the total amount due,  
5 which is a lien on any parcel, for the smallest percentage of  
6 the parcel is the purchaser, and when the purchaser designates  
7 the percentage of any parcel for which the purchaser will pay  
8 the total amount due, the percentage thus designated shall  
9 give the person an undivided interest upon the issuance of a  
10 treasurer's deed, as provided in chapter 448. If two or more  
11 persons have placed an equal bid and the bids are the smallest  
12 percentage offered, the county treasurer shall use a random  
13 selection process to select the bidder to whom a certificate  
14 of purchase will be issued.

15 2. Notwithstanding subsection 1, as soon as two or more  
16 bids are placed on the delinquent taxes for a parcel, the  
17 treasurer may, at that time, use a random selection process to  
18 select the bidder to whom a certificate of purchase will be  
19 issued.

20 3. The delinquent tax lien transfers with the tax sale  
21 certificate, whether held by the county or purchased by an  
22 individual, through assignment or direct purchase at the tax  
23 sale. The delinquent tax sale lien expires when the tax sale  
24 certificate expires.

25 Sec. 2. This Act, being deemed of immediate importance,  
26 takes effect upon enactment.

27 EXPLANATION

28 This bill allows a county treasurer to use a random  
29 selection process as soon as two or more bids for a  
30 certificate of purchase for delinquent taxes are placed.  
31 Currently, the random selection process is allowed only when  
32 two or more equal bids are placed on the smallest percentage  
33 interest in the property.

34 The bill is effective upon enactment.

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