

MAR 3 1999

LOCAL GOVERNMENT

HOUSE FILE 467
BY JACOBS and HUSER

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

A BILL FOR

1 An Act relating to the purchase of certain parcels with
2 delinquent taxes by a city, county, or the Iowa finance
3 authority, and providing effective and applicability dates.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 467

1 Section 1. Section 446.19A, Code 1999, is amended to read
2 as follows:

3 446.19A PURCHASE BY COUNTY OR CITY FOR LOW OR MODERATE
4 INCOME HOUSING.

5 ~~Notwithstanding section 446.18~~ On the day of the regular
6 tax sale or any continuance or adjournment of the tax sale, a
7 city or county or the Iowa finance authority homesteading
8 program may purchase bid for abandoned property assessed as
9 residential property or as commercial multifamily housing
10 ~~which did not sell at an annual tax sale under section 446.7~~
11 for property a sum equal to the total amount due. When such a
12 bid is received from the city, county, or Iowa finance
13 authority homesteading program, the treasurer shall end the
14 bidding on that parcel and a tax sale certificate shall be
15 issued. Money shall not be paid by the county or other tax-
16 levying or tax-certifying body for the purchase, but each of
17 the tax-levying and tax-certifying bodies having any interest
18 in the taxes shall be charged with the total amount due the
19 tax-levying or tax-certifying body as its just share of the
20 purchase price. Prior to the purchase the city or county
21 shall file with the county treasurer a verified statement that
22 a parcel to be purchased is abandoned and deteriorating in
23 condition or is, or is likely to become, a public nuisance,
24 and that the parcel is suitable for use for low or moderate
25 income housing following rehabilitation. For the purposes of
26 this section, "abandoned" means the same as in section 657A.1.

27 If, during the one-year-and-nine-month period after the
28 date that a parcel is sold pursuant to this chapter, or after
29 the nine-month period from the date that a parcel is sold
30 under section 446.18, 446.38, or 446.39, property assessed as
31 residential property or as commercial multifamily housing
32 property, is identified as abandoned pursuant to a verified
33 statement filed with the county treasurer by a city or county
34 in the form set forth in the immediately preceding paragraph,
35 a city or county may repurchase the tax sale certificate that

1 had been issued for such property by paying to the holder of
2 such certificate the full amount due on the date such
3 repurchase is made.

4 The city or county may sell the certificate of purchase
5 obtained pursuant to this section. Preference shall be given
6 to purchasers who are low or moderate income families or
7 organizations which assist low and moderate income families to
8 obtain housing. For the purpose of this section, "low or
9 moderate income families" has the same meaning as in section
10 403.17. All persons who purchase certificates under this
11 section shall demonstrate the intent to rehabilitate the
12 property for habitation if the property is not redeemed. In
13 the alternative, the county may, if title to the property has
14 vested in the county under section 447.9, dispose of the
15 property in accordance with section 331.361.

16 Sec. 2. Section 447.9, subsection 1, Code 1999, is amended
17 to read as follows:

18 1. After one year and nine months from the date of sale,
19 or after nine months from the date of a sale made under
20 section 446.18, 446.19A, or 446.39, or after nine months from
21 the date that a tax sale certificate is repurchased by a city
22 or county under section 446.19A, the holder of the certificate
23 of purchase may cause to be served upon the person in
24 possession of the parcel, and also upon the person in whose
25 name the parcel is taxed, a notice signed by the certificate
26 holder or the certificate holder's agent or attorney, stating
27 the date of sale, the description of the parcel sold, the name
28 of the purchaser, and that the right of redemption will expire
29 and a deed for the parcel be made unless redemption is made
30 within ninety days from the completed service of the notice.
31 If the person to whom the notice is directed resides in Iowa,
32 the notice shall be served in the manner provided for service
33 of original notices in the rules of civil procedure. The If
34 the person to whom the notice is directed is not a resident of
35 the state, the notice shall be served by both regular mail and

1 certified mail to the person's last known address and such
2 notice is deemed completed when the notice by certified mail
3 is deposited in the mail and postmarked for delivery. The
4 ninety-day redemption period begins as provided in section
5 447.12. When the notice is given by a county as a holder of a
6 certificate of purchase the notice shall be signed by the
7 county treasurer or the county attorney, and when given by a
8 city, it shall be signed by the city officer designated by
9 resolution of the council. When the notice is given by the
10 Iowa finance authority or a city or county agency holding the
11 parcel as part of an Iowa homesteading project, it shall be
12 signed on behalf of the agency or authority by one of its
13 officers, as authorized in rules of the agency or authority.

14 Sec. 3. EFFECTIVE AND APPLICABILITY DATE. This Act, being
15 deemed of immediate importance, takes effect upon enactment
16 and applies to parcels first offered for sale at the tax sale
17 held in June 1999, and in subsequent years.

18 EXPLANATION

19 This bill allows a city, county, or the Iowa finance
20 authority under its homesteading program to bid on parcels
21 containing abandoned property at the annual tax sale. Current
22 law allows these entities to bid on such parcels after the
23 parcel has been offered at tax sale and not been sold. The
24 bill defines abandoned property as property that has remained
25 vacant and in violation of the applicable local housing code
26 for a period of six months or more.

27 The bill provides that once one of these three entities
28 bids the full amount due on a parcel, all bidding on that
29 parcel shall end and the county shall issue a tax sale
30 certificate to the county, city, or the finance authority.

31 The bill provides that the redemption period on a parcel
32 containing abandoned property that is bid on and purchased by
33 a city, county, or the finance authority shall be nine months
34 from the date of sale rather than one year and nine months
35 from the date of sale. The bill further provides that notice

1 of the right of expiration of redemption shall be served on
2 the person in possession of the property and the person listed
3 as the taxpayer on the property by personal service if that
4 person is a resident of Iowa. Current law provides that
5 service of this notice be made by regular and certified mail
6 to both residents and nonresidents of the state.

7 The bill takes effect upon enactment and applies to parcels
8 offered for sale at the tax sale held in June 1999, and in
9 subsequent years.

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