

Substituted for by SF 4.

4/5/99

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(P.1041)

Place On Calendar

HOUSE FILE 728

BY COMMITTEE ON LOCAL GOVERNMENT

(SUCCESSOR TO HF 467)

WITHDRAWN
4/5/99

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 or county, and providing effective
3 and applicability dates.

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

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HF 728

1 Section 1. Section 446.19A, Code 1999, is amended by
2 striking the section and inserting in lieu thereof the
3 following:

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

6 1. The board of supervisors of a county may adopt an
7 ordinance authorizing the county and each city in the county
8 to bid on and purchase delinquent taxes and to assign tax sale
9 certificates of abandoned property. This section may only be
10 used by a county or by a city in the county if such an
11 ordinance is in effect.

12 2. On the day of the regular tax sale or any continuance
13 or adjournment of the tax sale, the county or a city may bid
14 for abandoned property assessed as residential property or as
15 commercial multifamily housing property a sum equal to the
16 total amount due. Money shall not be paid by the county or
17 city for the purchase, but each of the tax-levying and tax-
18 certifying bodies having any interest in the taxes shall be
19 charged with the total amount due the tax-levying or tax-
20 certifying body as its just share of the purchase price.
21 Prior to the purchase, the county or city shall file with the
22 county treasurer a verified statement that a parcel to be
23 purchased is abandoned and deteriorating in condition or is,
24 or is likely to become, a public nuisance, and that the parcel
25 is suitable for use for low or moderate income housing
26 following rehabilitation.

27 3. If after the date that a parcel is sold pursuant to
28 this chapter, or after the date that a parcel is sold under
29 section 446.18, 446.38, or 446.39, the parcel assessed as
30 residential property or as commercial multifamily housing
31 property is identified as abandoned pursuant to a verified
32 statement filed with the county treasurer by a city or county
33 in the form set forth in subsection 2, a city or county may
34 require the assignment of the tax sale certificate that had
35 been issued for such parcel by paying to the holder of such

1 certificate the total amount due on the date the assignment of
2 the certificate is made to the county or city and recorded
3 with the county treasurer. If the certificate is not assigned
4 by the county or city pursuant to subsection 4, the county or
5 city, whichever is applicable, is liable for the tax sale
6 interest that was due the certificate holder pursuant to
7 section 447.1, as of the date of assignment.

8 4. a. The city or county may assign the tax sale
9 certificate obtained pursuant to this section. Preference
10 shall be given to purchasers who are low or moderate income
11 families or organizations which assist low or moderate income
12 families to obtain housing. Persons who purchase certificates
13 from the city or county under this subsection are liable for
14 the total amount due the certificate holder pursuant to
15 section 447.1.

16 b. All persons who purchase certificates from the city or
17 county under this subsection shall demonstrate the intent to
18 rehabilitate the property for habitation if the property is
19 not redeemed. In the alternative, the county or city may, if
20 title to the property has vested in the county or city under
21 section 448.1, dispose of the property in accordance with
22 section 331.361 or 364.7, as applicable.

23 5. For the purposes of this section, "abandoned" means the
24 same as in section 657A.1. For the purposes of this section,
25 "low or moderate income families" has the same meaning as in
26 section 403.17.

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

29 1. After one year and nine months from the date of sale,
30 or after nine months from the date of a sale made under
31 section 446.18, 446.19A, or 446.39, the holder of the
32 certificate of purchase may cause to be served upon the person
33 in possession of the parcel, and also upon the person in whose
34 name the parcel is taxed, a notice signed by the certificate
35 holder or the certificate holder's agent or attorney, stating

1 the date of sale, the description of the parcel sold, the name
2 of the purchaser, and that the right of redemption will expire
3 and a deed for the parcel be made unless redemption is made
4 within ninety days from the completed service of the notice.
5 The notice shall be served by both regular mail and certified
6 mail to the person's last known address and such notice is
7 deemed completed when the notice by certified mail is
8 deposited in the mail and postmarked for delivery. The
9 ninety-day redemption period begins as provided in section
10 447.12. When the notice is given by a county as a holder of a
11 certificate of purchase the notice shall be signed by the
12 county treasurer or the county attorney, and when given by a
13 city, it shall be signed by the city officer designated by
14 resolution of the council. When the notice is given by the
15 Iowa finance authority or a city or county agency holding the
16 parcel as part of an Iowa homesteading project, it shall be
17 signed on behalf of the agency or authority by one of its
18 officers, as authorized in rules of the agency or authority.

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

23

EXPLANATION

24 This bill allows a city or county to bid on parcels
25 containing abandoned property, which is residential or
26 commercial multifamily housing property, at the annual tax
27 sale. Current law allows these entities to bid on parcels
28 after the parcel has been offered at tax sale and not been
29 sold. The bill defines abandoned property as property that
30 has remained vacant and in violation of the applicable local
31 housing code for a period of six consecutive months or more.
32 The bill also allows cities and counties to purchase tax sale
33 certificates from a holder of such a certificate.

34 The bill allows cities or counties to assign tax sale
35 certificates for abandoned property to low income or moderate

1 income families or to organizations which assist low income or
2 moderate income families in obtaining housing.

3 The bill provides that the redemption period on a parcel
4 containing abandoned property that is bid on and purchased by
5 a city or county shall be nine months from the date of sale
6 rather than one year and nine months from the date of sale.

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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