

FILED FEB 17 1999

SENATE FILE 164

BY HAMMOND, MILLER, BOLKCOM,  
DVORSKY, and HARPER

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_

Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to interest charged against delinquent property  
2 taxes on parcels sold at tax sale.

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

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SF 164  
WAYS & MEANS

1 Section 1. Section 447.1, unnumbered paragraph 1, Code  
2 1997, is amended to read as follows:

3 A parcel sold under this chapter and chapter 446 may be  
4 redeemed at any time before the right of redemption expires,  
5 by payment to the county treasurer, to be held by the  
6 treasurer subject to the order of the purchaser, of the amount  
7 for which the parcel was sold, including the fee for the  
8 certificate of purchase, and interest of two one percent per  
9 month, counting each fraction of a month as an entire month,  
10 from the month of sale, and the total amount paid by the  
11 purchaser or the purchaser's assignee for any subsequent year,  
12 with interest at the same rate added on the amount of the  
13 payment for each subsequent year from the month of payment,  
14 counting each fraction of a month as an entire month. The  
15 amount of interest must be at least one dollar and shall be  
16 rounded to the nearest whole dollar. Interest shall accrue on  
17 subsequent amounts from the month of payment by the  
18 certificate holder.

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#### EXPLANATION

20 Prior to being sold at tax sale, delinquent taxes incur an  
21 interest penalty at the rate of 1.5 percent per month payable  
22 to the county. After tax sale, the delinquent taxes incur an  
23 interest penalty of 2 percent per month payable to the tax  
24 sale certificate holder upon redemption of the property by the  
25 delinquent taxpayer. This bill reduces from 2 percent per  
26 month to 1 percent per month the rate of interest applied  
27 against the amount of delinquent property taxes on parcels  
28 sold at tax sale. By operation of law, by means of a  
29 reference in Code section 445.3 to Code section 447.1, the  
30 bill also reduces from 2 percent to 1 percent per month the  
31 interest penalty that attaches to a property tax judgment  
32 obtained by a city or county as a tax sale certificate holder.

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