

# Senate Study Bill 1168

## Bill Text

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1 1 Section 1. Section [446.19A](#), Code 1999, is amended to read  
1 2 as follows:  
1 3 446.19A PURCHASE BY COUNTY OR CITY FOR LOW OR MODERATE  
1 4 INCOME HOUSING.  
1 5

~~1 6 Notwithstanding section 446.18~~

~~1 7 On the day of the regular~~

~~1 8 tax sale or any continuance or adjournment of the tax sale, a  
1 9 city or county or the Iowa finance authority homesteading  
1 10 program may~~

~~1 11 purchase~~

~~1 12 bid for abandoned property assessed as~~

~~1 13 residential property or as commercial multifamily housing  
1 14~~

~~1 15 which did not sell at an annual tax sale under section 446.7~~

~~1 16~~

~~1 17 for~~

~~1 18 property a sum equal to the total amount due. When such a~~

~~1 19 bid is received from the city, county, or Iowa finance  
1 20 authority homesteading program, the treasurer shall end the  
1 21 bidding on that parcel and a tax sale certificate shall be  
1 22 issued. Money shall not be paid by the county or other tax-  
1 23 levying or tax-certifying body for the purchase, but each of  
1 24 the tax-levying and tax-certifying bodies having any interest  
1 25 in the taxes shall be charged with the total amount due the  
1 26 tax-levying or tax-certifying body as its just share of the  
1 27 purchase price. Prior to the purchase the city or county  
1 28 shall file with the county treasurer a verified statement that  
1 29 a parcel to be purchased is abandoned and deteriorating in  
1 30 condition or is, or is likely to become, a public nuisance,  
1 31 and that the parcel is suitable for use for low or moderate  
1 32 income housing following rehabilitation. For the purposes of  
1 33 this section, "abandoned" means the same as in section 657A.1.~~

~~1 34 If, during the one-year-and-nine-month period after the  
1 35 date that a parcel is sold pursuant to this chapter, or after  
1 36 the nine-month period from the date that a parcel is sold  
1 37 under section 446.18, 446.38, or 446.39, property assessed as  
1 38 residential property or as commercial multifamily housing  
1 39 property, is identified as abandoned pursuant to a verified  
1 40 statement filed with the county treasurer by a city or county  
1 41 in the form set forth in the immediately preceding paragraph,  
1 42 a city or county may repurchase the tax sale certificate that  
1 43 had been issued for such property by paying to the holder of  
1 44 such certificate the full amount due on the date such  
1 45 repurchase is made.~~

~~1 46 The city or county may sell the certificate of purchase  
1 47 obtained pursuant to this section. Preference shall be given  
1 48 to purchasers who are low or moderate income families or  
1 49 organizations which assist low and moderate income families to  
1 50 obtain housing. For the purpose of this section, "low or  
1 51 moderate income families" has the same meaning as in section~~

2 10 403.17. All persons who purchase certificates under this  
2 11 section shall demonstrate the intent to rehabilitate the  
2 12 property for habitation if the property is not redeemed. In  
2 13 the alternative, the county may, if title to the property has  
2 14 vested in the county under section 447.9, dispose of the  
2 15 property in accordance with section 331.361.

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

2 18 1. After one year and nine months from the date of sale,  
2 19 or after nine months from the date of a sale made under  
2 20 section 446.18, 446.19A, or 446.39, or after nine months from  
2 21 the date that a tax sale certificate is repurchased by a city  
2 22 or county under section 446.19A, the holder of the certificate  
2 23 of purchase may cause to be served upon the person in  
2 24 possession of the parcel, and also upon the person in whose  
2 25 name the parcel is taxed, a notice signed by the certificate  
2 26 holder or the certificate holder's agent or attorney, stating  
2 27 the date of sale, the description of the parcel sold, the name  
2 28 of the purchaser, and that the right of redemption will expire  
2 29 and a deed for the parcel be made unless redemption is made  
2 30 within ninety days from the completed service of the notice.  
2 31 If the person to whom the notice is directed resides in Iowa,  
2 32 the notice shall be served in the manner provided for service  
2 33 of original notices in the rules of civil procedure.

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2 34 the person to whom the notice is directed is not a resident of  
2 35 the state, the notice shall be served by both regular mail and  
3 1 certified mail to the person's last known address and such  
3 2 notice is deemed completed when the notice by certified mail  
3 3 is deposited in the mail and postmarked for delivery. The  
3 4 ninety-day redemption period begins as provided in section  
3 5 447.12. When the notice is given by a county as a holder of a  
3 6 certificate of purchase the notice shall be signed by the  
3 7 county treasurer or the county attorney, and when given by a  
3 8 city, it shall be signed by the city officer designated by  
3 9 resolution of the council. When the notice is given by the  
3 10 Iowa finance authority or a city or county agency holding the  
3 11 parcel as part of an Iowa homesteading project, it shall be  
3 12 signed on behalf of the agency or authority by one of its  
3 13 officers, as authorized in rules of the agency or authority.

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

3 18 EXPLANATION

3 19 This bill allows a city, county, or the Iowa finance  
3 20 authority under its homesteading program to bid on parcels  
3 21 containing abandoned property at the annual tax sale. Current  
3 22 law allows these entities to bid on such parcels after the  
3 23 parcel has been offered at tax sale and not been sold. The  
3 24 bill defines abandoned property as property that has remained  
3 25 vacant and in violation of the applicable local housing code  
3 26 for a period of six months or more.

3 27 The bill provides that once one of these three entities  
3 28 bids the full amount due on a parcel, all bidding on that  
3 29 parcel shall end and the county shall issue a tax sale  
3 30 certificate to the county, city, or the finance authority.

3 31 The bill provides that the redemption period on a parcel  
3 32 containing abandoned property that is bid on and purchased by  
3 33 a city, county, or the finance authority shall be nine months  
3 34 from the date of sale rather than one year and nine months  
3 35 from the date of sale. The bill further provides that notice  
4 1 of the right of expiration of redemption shall be served on  
4 2 the person in possession of the property and the person listed  
4 3 as the taxpayer on the property by personal service if that

4 4 person is a resident of Iowa. Current law provides that  
4 5 service of this notice be made by regular and certified mail  
4 6 to both residents and nonresidents of the state.  
4 7 The bill takes effect upon enactment and applies to parcels  
4 8 offered for sale at the tax sale held in June 1999, and in  
4 9 subsequent years.  
4 10 LSB 1920SC 78  
4 11 sc/jw/5