

SENATE FILE

2011

BY KREIMAN

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

A BILL FOR

1 An Act relating to the interest rates charged against delinquent
 2 property taxes and providing an applicability date.

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

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WAYS & MEANS

1 Section 1. Section 445.39, Code 2003, is amended to read
2 as follows:

3 445.39 INTEREST ON DELINQUENT TAXES.

4 If the first installment of taxes is not paid by the
5 delinquent date specified in section 445.37, the installment
6 becomes due and draws interest of one ~~and one-half~~ percent per
7 month until paid, from the delinquent date following the levy.
8 If the last half is not paid by the delinquent date specified
9 for it in section 445.37, the same interest shall be charged
10 from the date the last half became delinquent. However, after
11 April 1 in a fiscal year when late delivery of the tax list
12 referred to in chapter 443 results in a delinquency date later
13 than October 1 for the first installment, interest on
14 delinquent first installments shall accrue as if delivery were
15 made on the previous June 30. The interest imposed under this
16 section shall be computed to the nearest whole dollar and the
17 amount of interest shall not be less than one dollar. In
18 calculating interest each fraction of a month shall be counted
19 as an entire month. The interest percentage on delinquent
20 special assessments and rates or charges is the same as that
21 for the first installment of delinquent ad valorem taxes.

22 Sec. 2. Section 447.1, unnumbered paragraph 1, Code 2003,
23 is amended to read as follows:

24 A parcel sold under this chapter and chapter 446 may be
25 redeemed at any time before the right of redemption expires,
26 by payment to the county treasurer, to be held by the
27 treasurer subject to the order of the purchaser, of the amount
28 for which the parcel was sold, including the fee for the
29 certificate of purchase, and interest of ~~two~~ one and one-half
30 percent per month, counting each fraction of a month as an
31 entire month, from the month of sale, and the total amount
32 paid by the purchaser or the purchaser's assignee for any
33 subsequent year, with interest at the same rate added on the
34 amount of the payment for each subsequent year from the month
35 of payment, counting each fraction of a month as an entire

1 month. The amount of interest must be at least one dollar and
2 shall be rounded to the nearest whole dollar. Interest shall
3 accrue on subsequent amounts from the month of payment by the
4 certificate holder.

5 Sec. 3. APPLICABILITY DATE. Section 1 of this Act applies
6 to property taxes first delinquent after July 1, 2004.

7 EXPLANATION

8 This bill changes the interest rates that can be charged
9 against delinquent property taxes. The interest rate imposed
10 on delinquent taxes before the taxes are sold at tax sale is
11 changed from 1.5 percent to 1 percent. This section of the
12 bill applies to property taxes first delinquent after July 1,
13 2004.

14 The interest rate imposed on delinquent taxes sold at tax
15 sale is changed from 2 percent to 1.5 percent. This is the
16 interest rate that is paid to the person who bought the
17 delinquent taxes (i.e., the tax sale certificate holder) when
18 the property is redeemed. Because Code section 447.14
19 provides that the law in effect at the time of tax sale
20 governs redemption, this section of the bill applies to
21 property taxes sold on or after July 1, 2004.

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