

# **WHAT IS A TAX SALE?**

## **Frequently asked questions about the tax sale process in Iowa.**

### **1. How does the tax sale work?**

- a. Any unpaid tax, as of the 3<sup>rd</sup> Monday of June, shall be offered at tax sale. Code **446.7**.
- b. In April or May, go to each county Home Page, to obtain the Registration conditions and regulations. Print the forms, and follow the directions. Or contact the county by phone or e-mail, if you have other questions.

### **2. Who can bid at tax sale?**

- a. You must register ahead of time in order to bid at the tax sale. Contact each county in which you want to bid. Check the individual county website for instructions, and/or a registration packet.
- b. If you have an interest in a parcel, you may **NOT** bid on that parcel. (spouse, lessee, renter, previous certificate holder, heir, any interest of record.)
- c. You must pay the registration fee, and provide a W-9 form, including your county of residence. See individual county instructions.

### **3. If I bid on a parcel, and don't want it, or find out it should not have been sold, what happens then?**

- a. If the parcel was sold in error, you will receive a refund of the amount that you paid, but no interest accrues. (IE: Parcel was suspended & should not have been sold.)
- b. If you change your mind, and want a refund, that is not a valid reason.
- c. The tax sale is very much "Let The Buyer Beware". It is your responsibility to research parcels ahead of time, so that you know on what you are bidding.

### **4. What happens at the actual sale?**

- a. Each parcel is offered, for exactly the amount of taxes, interest, and costs due, plus a \$20 certificate fee. Whoever offers to pay that price is considered a bidder. If more than one person is interested, the offer is made to bid down the percentage of interest in the property, to a minimum of 1% interest. If the property eventually goes to a Treasurer's Deed, you would receive a 1% undivided interest in the property. You would need to go to court to settle the issue of the 1% undivided interest.
- b. If a number of bidders tie at a certain percentage of interest, (from 100 to 1%,) a random drawing process is used to determine the successful bidder.)
- c. At the end of the sale, each bidder pays the total due for all parcels purchased.
- d. If funds are not paid to treasurer, parcel may again be offered to other bidders.

### **5. After the sale, then what?**

- a. The treasurer will process all tax sale items, create the certificates, and mail them to the successful bidders. The investor shall keep the certificates in a safe place, as they will be needed in order to return in case of redemption, or to give to your attorney in order to start the proceedings to obtain deed.
- b. The investor should pay the subsequent taxes, as of **Oct. 15<sup>th</sup>**, and **April 15<sup>th</sup>**. These will be added to the certificate, and 2% interest per month will be added from the date payment is made. It is up to the investor to follow the correct procedures. *The treasurer will not send you reminders.*

- c. Failure to pay the subsequent taxes may result in the parcel again being sold at the next tax sale, which may cause problems in the future.
- d. If redemption is made, you will receive your original investments, plus 2% per month interest. It is your responsibility to check with the treasurer to see if any funds are due to you.
- e. Your certificate constitutes only a tax lien. You have no responsibilities or rights until you actually obtain tax sale deed, and it is properly recorded.

**6. How do I get deed to the property?**

- a. Iowa Code **447.9, 447.12, and 447.13** apply to this process. 1 year and 9 months from a regular (1 year) tax sale, you should contact an attorney to start proceedings to obtain a tax sale deed. Notices shall be sent to all persons set forth in Code **447.9**. (9 months from a “Public Bidder” (2 year) tax sale.)
- b. An Affidavit of service (**447.12**) must be filed with the county treasurer before the 90-day period to redeem can start. If redemption is not made within the 90 days, you are to contact the county treasurer to find out the fees and recording costs, and submit payment to the treasurer, who will then issue you a tax sale deed to the property. If you fail to provide the fees within 90 days from expiration of right of redemption, your tax sale certificate will be canceled, and you will have no claim on the parcel. All monies will be forfeited.
- c. The 120-day Affidavit found in **448.15**, should also be filed.
- d. Failure to send the 90-day Notices of Expiration, within 3 years from the date of the tax sale, will result in cancellation of your tax sale certificate, and loss of all money invested.

**7. How do I find the information for each County?**

- a. Go back to the Welcome Page of [www.iowatreasurers.org](http://www.iowatreasurers.org) and in the upper left is a link named [Locate your County Treasurer](#)
- b. Click on this link, and a map of Iowa will appear with all counties listed. Click on the county in which you are interested.
- c. The Home Page of that county will appear, and you should be able to see the links to that counties Registration packet, Instructions, W-9 form, etc. Print as needed.
- d. Click the green ISCTA HOME button on the far left, directly below the courthouse pictures at the top of the screen. Then click on [Locate your County Treasurer](#) to select another county.