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NOTICE TO TAX SALE PURCHASERS OF THE TERMS AND CONDITIONS GOVERNING THE TAX SALE

The annual tax sale will be held by the Madison County Treasurer on **Monday, June 20, 2016, promptly at 8:30 A.M.** and will continue until every delinquent parcel has been offered for sale. **Remember to check in with us at the Treasurer’s office between 7:50 and 8:20 A.M. that morning. Appropriate photo ID will be required. Please don’t wait until the last minute to appear.** Spectators can only be admitted if seating is available. No children will be allowed.

The following information is provided to assist you in purchasing delinquent taxes at the tax sale:

1. **Electronic Devices Prohibited:**  Cellular phones, pagers, tape recorders, camcorders, or other audible electronic devices are to be turned off during the sale. All picture-taking devices are prohibited. Laptop or notebook computers are allowed only if they are operated from battery packs. A violation in the use of these devices may result in the disqualification of the bidder.
2. **Registering for the Tax Sale:** All prospective bidders must register with the Treasurer’s office by the deadline of **4:00 P.M. CDT** on **Tuesday, June 14, 2016**, to be eligible for the June 20th tax sale. The **non-refundable fee** will be **$25 per bidder registration** this year, and must accompany the appropriate, properly completed forms listed below. **Please note: I will again allow tax sale participants to hold multiple bidder numbers (maximum of 5 each this year). Each bidder number requires a separate federal ID#, plus the bidder forms and fee. *An additional requirement for “bidders other than individuals” this year is either a designation of agent for service of process on file with the Iowa Secretary of State OR a verified statement from the county recorder where the sale will be held.*** New groups for the year and prior bidders with changes in their situation will still be required to send copies of their documents for our file.

1. **“Registration of Tax Sale Bidder or Assignee:** Form required annually for each bidder. **“W-9”**-- must be completed, signed and returned to our office as part of proper registration. This information is required to issue an accurate 1099-INT form with the appropriate social security number or federal identification number.

**“Authorization to Represent Bidder”**-- must be completed if bidder wishes to designate an agent to bid on their behalf during the 2016 annual and adjourned tax sales. If person is holding multiple bidder numbers, I still need one form per bidder number. There is currently no fee to process this authorization. **This form must be signed by the same individual who signed the registration and W-9 forms.** This form must also be in the Treasurer’s office by the June 14, 2016 deadline. Substitutions due to unforeseen circumstances will require a new authorization presented upon check-in. The Treasurer’s office staff will not notarize these forms, so you have to handle this prior to check-in. The Treasurer’s office reserves the right to accept or deny any substitution. All forms will be reviewed by Treasurer Office staff for completeness and accuracy. Errors, omissions, or misrepresentations by a tax sale bidder may disqualify the bidder from the sale and all certificates purchased by the disqualified bidder during the sale may be canceled and then offered to other properly registered bidders.

1. **Proof of Age and Identity:**  All bidders/buyers/assignees must be 18 years of age or older as of June 17, 2016. The treasurer or deputy may require valid proof of age and identity with a photo ID, **so be sure to communicate this to your agents.**
2. **Bidding at the Tax Sale:** The bidder or authorized agent **MUST** be present to bid. A properly registered tax sale representative may purchase tax sale certificates under multiple names/numbers, but may only use one buyer number and federal ID# at a time.

The tax sale will start with public bidder properties, then regular real estate properties, and finally manufactured/ mobile homes. Parcels will be offered for sale in numerical sequence (then by parcel number within taxing district) and/or as reflected in the official tax sale publication. **It is the bidder’s responsibility to be prepared for the sale and to know the parcel/sequence number(s) within each district upon which s/he intends to bid.** Each parcel/item will be offered for sale to all active bidders beginning with an opening bid of 100% undivided interest. After the item has been announced, active bidders may bid downward a percentage of undivided interest. **“Bid downs” will range in whole percentage points from 99% to 1%, and the parcel is again** **offered to all active bidders.**  When the Treasurer determines there are no further bids, a bidder will be chosen by random draw process. The bidder selected at random must immediately accept the purchase of the parcel/item by announcing **“sold”** or refuse by announcing **“pass”**, in which case another bidder will be randomly selected. A response of **“sold”** results in an obligation on the part of the bidder to pay for the certificate in the daily settlement. Fewer than 6 bidders will result in a “high card draw” (one card per person) as in years past. When there are **not** multiple bidders on a parcel, the sale will be awarded to the lone active bidder.

1. **Purchasing tax sale certificates:** Payment arrangements are required at the conclusion of the sale. The amount collected will include all delinquent taxes, special assessments, interest, special assessment collection fees, rates or charges, publishing costs, and a $20 certificate fee for each certificate issued. Payment must be in U.S. funds in the form of a personal or business check, money order or any form of guaranteed funds for the exact amount of purchase. Two-party checks will not be accepted for payment (or for registration fees). **Separate checks are required for each bidder number.** Buyers should review and verify their purchases and resolve discrepancies **before** making/verifying payment. Failure to make payment arrangements at the end of the sale (each day) will result in those parcels being offered again; you will be prohibited from bidding on those same parcels. If a buyer’s check does not clear for any reason (insufficient funds, account closed, etc.), the tax sale certificate will be cancelled, and a $20 service fee will be added for each check returned. **Please allow up to 10 working days to receive your certificate(s).** This allows the Treasurer’s staff time to complete posting of records, editing of certificates, balancing of proceeds received from the tax sale. At the time certificates are mailed/picked up, reimbursement will be included for any parcels redeemed from this sale, in lieu of the tax sale certificate of purchase being sent. It is buyer’s responsibility to verify that the tax sale certificates and redemption copies received are correct for the parcels purchased. **The tax sale Certificate of Purchase does not convey title to the buyer.** The titleholder of record or other interested parties retain the right to redeem within the statutory period, depending on the type of tax sale. If the certificate remains unredeemed after the statutory period expires, the buyer may begin action to obtain a tax sale deed (refer to section: ’90 day Notice of Right of Redemption’ Affidavit).
2. **Notification to Titleholder of Tax Sale**: The County Treasurer is required to notify the titleholder of record within fifteen days from the date of sale that the published item was sold at tax sale.
3. **Reimbursement of a Tax Sale Redemption:**

 A redeemed tax sale will include the following:

 a. The original tax sale amount, including the $20.00 certificate fee paid by the buyer at the time of the sale.

b. Interest in the amount of 2% per month, beginning with the month of sale to the month of redemption, calculated against the original tax sale amount. Each fraction of a month will count as a whole month.

1. Subsequent tax payments paid and properly reported by the buyer as an addition

to the sale, with interest in the amount of 2% per month, beginning with the month the subsequent payment is posted to the county system to the month of redemption. Each fraction of a month will count as a whole month. d. Valid costs incurred by the certificate holder and posted to the county system for

action taken toward obtaining a tax deed. Costs not posted to the county system before redemption shall not be collected by the treasurer. Valid costs are defined in 447.13, Code of Iowa, and fees cannot exceed the customary publication fees for official county publications. Buyers would need to submit appropriate invoices and statements to the Treasurer to substantiate reason and timing in order to include costs in redemption. By statute, (447.12) costs cannot be filed with the County Treasurer prior to the filing of the 90-day affidavit with the County Treasurer. **The buyer is responsible for checking with the Treasurer’s office to see if redemptions have occurred, and funds are available for the certificates s/he holds.** Tax sale certificates may be redeemed either in person or by mail. Upon surrender of the tax sale certificate for a redeemed tax sale, the Treasurer will issue a check for the redemption amount, after allowing a reasonable amount of time for the taxpayers’ check to clear the bank. The buyer will receive a check directly or by mail with a copy of the redemption certificate reflecting the total amount of the redemption. Buyers should retain the redemption certificate copy for income tax purposes. If the original certificate of purchase has been lost or destroyed, a duplicate can be obtained from the Madison County Treasurer’s office at a cost of $20. **Note:** In the event a buyer has been reimbursed for a redemption that in fact was not redeemed, OR if the taxpayer’s check does not clear the appropriate bank account, the buyer will be required to return the funds to the county treasurer upon notification. The tax sale will be reinstated as of the original sale date and the original certificate returned to the buyer. At calendar year-end, the county treasurer will issue a 1099-INT form to buyers and to the Internal Revenue Service **ONLY** if the cumulative interest paid to the buyer during the calendar year is $600 or more.

1. **Payment of Subsequent Taxes:** A tax sale buyer may pay subsequent delinquent taxes and special assessments, including rates or charges, on the same parcel(s) on which s/he holds the tax sale certificate beginning fourteen days following the date from which an installment becomes delinquent. Only items due in the current fiscal year or prior year may be paid as a subsequent tax. Special assessments, rates or charges due in future years cannot be paid until the fiscal year in which they become delinquent. A sub-list payment not property identified as “sub-payment” by the certificate holder at the time of payment will be treated as a voluntary payment and will be omitted from redemption calculations. Payments should be made by separate check per buyer number, and checks must be for the exact amount. After subsequent payments have been received and applied by the Treasurer’s Office, there will be no refund if the tax sale certificate buyer later decides s/he did not want to pay for a particular parcel.
2. **Assignment of a Tax Sale Certificate:** The tax sale certificate of purchase is assigned by endorsement of the certificate, payment by the assignee of a $100 assignment transaction fee, and forwarding the certificate to the County Treasurer for posting in the county system, at which point it is considered valid. **A certificate cannot be assigned to another person, other than a municipality, who has redemption rights, i.e. a recorded interest.** A tax sale certificate of purchase and/or a tax sale deed can be set aside if it is determined that the tax sale purchaser or assignee was ineligible to bid at tax sale. The general rule is that a tax sale purchaser or assignee should never have an interest or lien in the parcel/item offered for sale. **All prospective buyers should consult with legal counsel to determine their rights to become a tax sale certificate holder, either through bid or assignment.** The recorded assignment will vest in the assignee all the right and title of the assignor; except, when a county-held certificate is assigned, the assignee has three years from the date the assignment is recorded by the Treasurer in the county system, instead of from the date of the tax sale, to qualify for a tax sale deed. When a buyer requests the Treasurer to record any change, other than mailing address or telephone number or email address, it is considered an assignment and the $100 fee will be charged. Failure to provide the correct federal identification number or social security number at the time of purchase will result in a charge of $100 for each certificate purchased.

1. **“90 Day Notice of Right of Redemption” Affidavit:** **The certificate holder is responsible** for determining the status of a tax sale before serving the ’90 Day Notice of Right of Redemption’ to interested parties. **Service is complete only after this affidavit is filed with the County Treasurer; the 90 days starts then. Service must be compliant with the law in effect at time of tax sale.**
2. **Regular Tax Sale:** a tax sale certificate holder may serve a ‘Notice of Expiration of Right of Redemption’ after one year and nine months from the date of sale. **(b) Public Bidder Sale:**  the ’90 Day Notice of Right of Redemption’ affidavit may be issued after nine months from the date of sale. **Any certificate holder who serves said notice or a similarly worded notice before the expiration of the time periods mentioned above may be barred from future tax sales in Madison County.** If three years have elapsed from the date of the sale and the ’90 Day Notice of Right of Redemption’ affidavit has not been filed with the treasurer, which may have qualified the holder of the certificate to obtain a tax sale deed, the Treasurer will cancel the tax sale. In this instance, the tax sale purchaser is not entitled to a refund.

1. **Tax Sale Deed:** The tax sale certificate holder is required to return the certificate of purchase and remit the appropriate deed issuance fee and recording fee to the County Treasurer within ninety calendar days after the redemption period expires. **The issuance fee for a tax sale deed is $25 payable to the County Treasurer;** recording fees are variable and will be determined upon deed request and then deemed collectible and **payable to the County Recorder.** The Treasurer will record all tax sale deeds with the County Recorder **upon receipt of payment**, and then deliver deed to buyer. The Treasurer is required by statute to cancel the certificate of purchase for any tax sale certificate holder who fails to comply. The certificate holder is not entitled to a refund.

1. **Erroneous Tax Sale or Assignment:**  If it is determined that any item was erroneously sold, the certificate of purchase will be cancelled. The certificate holder will return the certificate of purchase and the Madison County Treasurer will reimburse the principal amount of the investment. The Treasurer will **NOT** pay interest. If it is determined that a county held certificate was erroneously assigned, the assignment will be cancelled. The certificate holder will return the certificate of purchase, and the Madison County Treasurer will reimburse the total amount paid for the assignment. Interest from the assignment date to the date of cancellation of the assignment will **NOT** be paid.

1. **Abandoned Parcel Law:**  The Iowa law now permits a county or city to purchase parcels offered at the regular tax sale or to require that a certificate be assigned to the county/city if the county/city files a verified statement of abandonment with the County Treasurer. (See Iowa Code 446.19A and note “if such an ordinance is in effect”)
2. **Tax Sale Publication:** The official tax sale publication will be printed in the Winterset Madisonian on Wednesday, June 8, 2016. A computer-generated buyer report will be available in the Treasurer’s office just before that publication date as in years past for an additional fee of $20 up through Friday, June 17, 2016.

1. **Change of Address, Telephone Number or email:** Buyers are required to notify the Madison County Treasurer’s office of any changes in address, phone number or email.
2. **General Information:**  This document has been prepared to provide general information and guidelines relative to Madison County’s conduct of tax sales, tax sale assignments, tax sale redemptions, buyer reimbursement, and the issuance of tax sale deeds. It is not an all-inclusive listing of statutory requirements, procedures, or policy. It is not to be construed as a legal opinion of the statutes governing tax sales. The Madison County Treasurer reserves the right to reject any or all bids and to waive irregularities that appear not to be in the best interests of Madison County. **Prospective tax sale buyers should consult with legal counsel to determine their legal rights and remedies and to protect their interests as a tax sale buyer. Prospective buyers should consult with their tax attorney and/or tax preparer to determine income tax ramifications that might result from a gain or loss as a result of purchasing tax sale certificates. The Madison County Treasurer’s office will not respond to questions of law.**  The provisions of this document are severable. If any provision of this document is determined to be contrary to law, the remaining provisions shall remain in full force and effect. Failure to comply with these guidelines or subsequent announcements will result in the bidder(s) being prohibited from present and future Madison County tax sales. This document is effective for taxes sold during the period of June 20, 2016, through May 31, 2017, and all their assignments, thereof, regardless of the assignment date.

**As always, Buyer Beware!!**