

Dear Tax Sale Investors,

Iowa's Governor Kim Reynolds issued a Proclamation of Public Health Disaster Emergency on March 17, 2020, to provide additional needed resources and measures to respond to the COVID-19 disaster. The Proclamation will expire on May 27, 2020, at 11:59 pm unless extended to a future date.

Section 107 of the Governor's Proclamation was issued on March 19, 2020, and suspends the regulatory provisions of Iowa Code and Administrative Rules that require imposition of penalty and interest for delay in payment of property taxes. At this time, delinquent interest for April 2020 and May 2020 are waived permanently.

Sections 108, 110, 111 and 112 were added to the Proclamation on April 24, 2020.

Section 108 suspends the regulatory provisions of the Iowa Code requiring a county treasurer to hold a tax sale for any parcel on which taxes are delinquent, including all notice and publication requirements prior to such a sale. At this time, it is not known if the tax sale will be delayed or completely suspended until June of 2021.

Section 110 suspends the regulatory provisions of the Iowa Code to the extent that a person's right of redemption expires if the person has been served a notice of expiration of the right of redemption. Nothing in this section affects the ability of a holder of a tax sale certificate to serve a notice of expiration of the right of redemption, and nothing in this section restricts or limits a person's right to redeem during the pendency of this disaster. This means the 90 day filing of the notice of expiration of the right of redemption with county treasurers' offices continues, but if the 90 days expire during this Proclamation, the property owner may still redeem the property up until the day the Proclamation ends.

Section 111 suspends the regulatory provisions of the Iowa Code to the extent those provisions require the accrual or imposition of interest for a tax sale redemption for the duration of this suspension. Since this section was added on April 24, 2020, the April 2020 interest is still added to the tax sale certificate. May 2020 interest will not be added to the tax sale certificate.

Section 112 suspends the regulatory provisions of the Iowa Code requiring a county treasurer to make out a deed immediately after the expiration of 90 days from the date of completed service of a notice of expiration of the right of redemption. No deed can be filed beginning April 24, 2020 until the Proclamation ends, even if the 90 day notice of the expiration of the right of redemption has expired during this time period or prior to this date but had not yet been filed.

What does this mean?

1. In the state of Iowa, property taxes will not be charged the 1.5% delinquent interest for the months of April and May 2020. The Proclamation may be extended.
2. In the state of Iowa, the county treasurer annual tax sale scheduled for June 15, 2020, will be either delayed to a future date as yet unknown or suspended until next June 2021.

3. Tax sale redemptions completed in or after May 2020 will not have the May 2020 interest of 2% added to them. The Proclamation may be extended.

4. Subsequent taxes can be paid on or after May 15, 2020, as of this date. The payments will be added to your tax sale certificate but will not generate the 2% interest if made in May 2020. The subsequent payments will also not include the normal 1.5% delinquent interest for April and May 2020, just property tax. The Proclamation may be extended.

5. 90 day notices of the expiration of the right of redemption can still be filed at county treasurers' offices. They will be filed on the date received and the 90 day countdown will begin. If the 90th day is reached while the Proclamation is still active, the 90 days continues to run but will expire when the Proclamation ends. Property owners can redeem their tax sale certificate(s) during this time period as well.

6. Treasurer deeds cannot be filed until after the Proclamation expires.

If you have any questions about any tax sale certificates you hold, please contact the county in which it was issued.

Sincerely,
Iowa State County Treasurers Association