

**OFFICE OF
SHELBY COUNTY TREASURER
612 COURT ST.
P.O. BOX 110
HARLAN, IA 51537**

May 23, 2016

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TREASURER
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**NOTICE TO TAX SALE PURCHASERS OF THE TERMS AND
CONDITIONS GOVERNING TAX SALES AND ASSIGNMENTS**

The following information is provided to assist you in purchasing delinquent taxes at tax sale or in obtaining an assignment of a tax sale certificate:

The Shelby County Treasurer holds the annual tax sale on the third Monday in June at 10:00 A.M. promptly and continues until all parcels are offered for sale. If an investor is not in attendance at the beginning of the tax sale, that investor will be inactivated and will not be allowed to participate in the tax sale. The location of the tax sale will be the Board of Supervisors Chambers, Room 107. Upon completion, the annual sale is then adjourned from day to day until all taxes are paid or sold. Adjourned Tax Sale will be re-convened any day there are bidders present and there are parcels still available for sale.

Cellular phones and all other electronic devices must be turned off during the tax sale. A violation in the use of electronic devices may result in the disqualification of the bidder.

Please note, during the 2009 Iowa legislative session, House File 256 was signed into law and will affect the registration process for some tax sale bidders. In order to comply with this new legislation, a bidder, that is not an individual, must have a federal tax identification number and provide proof of filing a designation of agent for service of process with the Iowa Secretary of State or proof of filing a verified statement of trade name, satisfying the requirements of Iowa Code Chapter 547, with the Shelby County Recorder.

BIDDER REGISTRATION

All prospective bidders must complete and return the following **original** forms to the office of the Shelby County Treasurer by 4:30 P.M. on Thursday, June 16, 2016:

- Registration of Tax Sale Buyer or Assignee
- \$25.00 registration fee (non-refundable)
- Authorization to Represent Bidder (if applicable)
- W-9 Form - Request for Taxpayer Identification Number Certification

If there is any discrepancy in your registration, you will not be allowed to bid. It is up to you to make sure you are legally registered.

A tax sale bidder is allowed to purchase tax sale certificates under multiple entities, provided each name or entity has a social security or federal ID number. One agent may represent all of their entities, provided each one is registered and has paid the registration fee. If you are unable to attend the tax sale, you may designate an appointee to bid for you by completing the Authorization to Represent Bidder form. Each prospective bidder shall pay a non-refundable registration fee of \$25.00. You must be 18 years or older to bid or to be the owner of a Tax Sale Certificate.

A W-9 form must be completed, signed and submitted to the Treasurer by the registration deadline. This information is needed so that we can issue an accurate 1099-INT form with the appropriate social security number or taxpayer ID number. At the end of the calendar year the Treasurer will issue a 1099-INT form to you and to the Internal Revenue Service if the cumulative interest paid to you during the calendar year is equal to or exceeds \$600.00. This information is required when filing your Federal and State Income Tax.

BID SELECTION

You may also submit a written bid if you cannot attend; however, if other bids on the same parcel are received, the tax sale certificate will be issued to a bidder who is present. In cases where two or more mailed bids are received and the parcel is not sold to a person present during the sale, the mailed bid for the smallest percentage of the parcel will be awarded the certificate. In cases of a tie mailed bid, the mailed bid with the earliest postmark will be awarded the certificate.

All registered bidders will be assigned a bidder number. All bidder numbers will be eligible for random selection on each parcel. Once a number is drawn, the bidder has the option to respond pass or sold. If the bidder passes, another number will be drawn until either the parcel is sold or all have passed. The next parcel will then be offered for sale.

Each delinquent tax parcel will be offered for sale to all bidders beginning with a 100% undivided interest. The County Treasurer will pause to allow bidders to bid downward a percentage of undivided interest. "Bid downs" will range in whole percentage points from 99% to 1%. When more than one person offers to pay the total amount due, the person that designates the smallest percentage of the parcel for the total amount due will obtain the tax sale certificate. For example: Party "A" bids the total amount due for a 100 percent interest in the parcel. Party "B" bids the total amount due for a 90 percent interest in the parcel, etc. The percentage designated gives the tax sale certificate holder, upon the issuance of a Treasurer's Deed, an undivided interest in the parcel, based on the percent bid, with the owner(s) of record. Bids for less than one percent interest will not be accepted. If two or more persons have placed an equal bid and the bids are the smallest percentage offered

(e.g., five bids at 1%) the County Treasurer will use a random selection process to select the successful bidder.

A tax sale Certificate of Purchase and/or a Treasurer's Deed can be set aside by the courts if it is determined that the tax sale purchaser was ineligible to bid at tax sale. The general rule is that a tax sale purchaser should never have an interest or lien in the parcel offered for sale. You should consult with your legal counsel to determine your right to bid and become a tax sale purchaser. All bidders must provide a valid driver's license or non-driver identification card as proof of identity and age.

TAX SALE

All parcels will be offered or sold in the manner they were published, alphabetical by taxing district. It is imperative that you be prepared for the sale ahead of time. You need the item number and legal description(s) upon which you intend to bid. All parcels shown in the publication are offered for sale except those that (1) have been paid subsequent to the publication; and (2) those withheld due to bankruptcy laws prohibiting the sale.

In the event a bidder purchases a parcel for which they already hold a previous certificate, the payment will be added as subsequent taxes to the existing certificate. The bidder may be barred from future tax sales as they should not be bidding on such a parcel.

Payment is required at the conclusion of the sale. The amount collected will include all delinquent taxes, special assessments, interest, special assessment collection fees, publishing costs, service fees, and a certificate fee in the amount of \$20.00 for each certificate purchased. Buyers are required to review all items listed on the summary sheet and resolve discrepancies before making payment. It is the certificate buyers' responsibility to verify. After payment is made, no refunds will be issued. Payment must be in the form of a personal check, money order, or cash. Two-party checks will not be accepted for payment.

If a tax sale bidder's check is not honored for any reason, the bidder will have three business days following notification from the Treasurer to repay with guaranteed funds or the tax sale certificate(s) purchased will be canceled. The parcel(s) will be offered for sale at the next adjourned tax sale and the buyer, as well as any associated entities, will be prohibited from bidding on these parcel(s). A \$30.00 service fee will be assessed on any returned check(s). The County Treasurer reserves the right to require guaranteed funds for any future payments from the tax sale bidder.

Please allow up to 15 days to receive your certificate(s), if you want them mailed to you. This allows the Treasurer's staff time to complete posting of records, editing certificates, and balancing the proceeds received from the tax sale.

The tax sale certificate of purchase does not convey title to the purchaser. The titleholder of record or other interested party retains the right to redeem within a specified period of time depending on the type of tax sale. If the sale remains

unredeemed after the statutory period has expired, the purchaser may begin proceedings to obtain the Tax Deed to the parcel.

Certificates purchased under a specific buyer name may not be transferred to any other buyer name. A certificate may be assigned to another party. The tax sale certificate is assignable by endorsement and entry in the county system in the office of the County Treasurer from which the certificate was issued. For each assignment transaction, the Treasurer shall charge the assignee an assignment transaction fee of \$100.00 to be deposited to the county general fund. The assignment transaction fee will not be reimbursed at time of redemption.

FAILURE TO OBTAIN DEED – CANCELLATION OF SALE

After three years have elapsed from the time of the sale, if action has not been completed which qualifies the holder of the certificate to obtain a deed, the treasurer will cancel the tax sale certificate.

The Treasurer is required to notify the titleholder of record of the tax sale acquisition.

REGULAR TAX SALE

- A. Delinquent taxes – six months to one year.
- B. Certificate purchaser pays tax + interest + cost + certificate fee.
- C. The 90-day Notice of Right of Redemption may be issued after one year and nine months from the date of sale. (Parcels eligible for regular tax sale have been advertised only once.)
- D. If you do not file an Affidavit of Service within three years from the date of sale, the Tax Sale Certificate will be cancelled.
- E. You are responsible for the subsequent fees.
- F. Cost for Tax Sale Deed is \$25.00, plus recording fees.

PUBLIC BIDDER SALE

- A. Delinquent taxes of two years or more.
- B. Certificate purchaser pays the tax + interest + cost + certificate fee.
- C. The 90-day Notice of Right of Redemption may be issued nine months from the date of sale. (Parcels eligible for public bidder tax sale have been advertised for two years and are indicated with an asterisk (*) on the tax sale list.)
- D. If you do not file an Affidavit of Service within three years from the date of sale, the Tax Sale Certificate will be cancelled.
- E. You are responsible for the subsequent fees.
- F. Cost for the Tax Sale Deed is \$25.00, plus recording fees.

SUBSEQUENT FEES

A tax sale purchaser may pay subsequent taxes and special assessments on the same parcel on which s/he holds the tax sale certificate. Taxes for a subsequent year may be paid beginning one month and fourteen days following the date from which an installment becomes delinquent. The purchaser may request statements and inform the Treasurer of the subsequent payment so it is paid and recorded properly as an addition to the sale. Only parcels due in the current fiscal year or prior may be paid as a subsequent fee. Special assessments due in future years cannot be paid until the fiscal year in which they become due. Failure to report subsequent payments will result in their omission from the redemption calculation. Recorded subsequent payments will accrue interest at the rate of 2% per month from the month of payment to the month of redemption.

Tax sale certificate holders wanting to pay subsequent taxes have three options for obtaining property tax payment information:

- 1) Self Lookup Online – Look up information online at www.iowatreasurers.org. In this case, there will be no charge for the information.
- 2) Request Tax Information from the County Treasurer – Requests for property tax payment information must be in writing. Pursuant to Iowa Code Section 445.5(3), there will be a charge of \$2.00 per parcel for providing property tax payment information.
- 3) Pay Subsequent Taxes Online – Register as a Tax Sale Investor at www.iowatreasurer.org by selecting Tax Sale>Registration under the “Tax Sale” drop-down menu. After the registration process is complete, you will be able to access a list of parcels in all 88 ICTEA-participating counties on which you hold tax sale certificates. You can then select the parcels you want to pay and submit payment by ACH debit. For this service, there will be a charge of \$0.25 for each parcel paid.

REDEMPTIONS

A redemption is not valid unless received by the Treasurer prior to the close of business on the ninetieth (90th) day from the date of completed service (except County held certificates). Service is complete only after an affidavit has been filed with the county treasurer showing the making of the service, the manner of service, the time when and the place where service was made, under whose direction the service was made, and costs incurred as provided in section 447.13. A redeemed tax sale will include the following:

- A. The original tax sale amount, including the certificate fee paid by the purchaser at the time of the sale.
- B. Interest in the amount of 2% per month calculated against the amount, for which the parcel was sold, including the amount paid for the certificate or purchase. Each fraction of a month is counted as a whole month.

- C. Subsequent tax payments paid by the purchaser and added to the amount of the sale, with interest in the amount of 2% per month. Each fraction of a month is counted as a whole month.
- D. For certificates sold on or after June 1, 2005, the cost of serving the notice, including the cost of sending certified mail notices, and the cost of publication under section 447.10, if publication is required, shall be added to the amount necessary to redeem. The cost of a record search, not to exceed \$300.00, shall also be added to the amount necessary to redeem if the search is performed by an abstractor who is an active participant in the title guaranty program under section 16.91 or by an attorney licensed to practice law in the state of Iowa. Costs filed with the Treasurer after redemption has been made shall not be collected by the Treasurer. However, the certificate holder may pursue collection through a court action against the parcel owner.

The Treasurer cannot accept costs incurred by the tax sale certificate holder prior to the filing of the affidavit of service with the Treasurer.

Upon redemption of the tax sale certificate of a redeemed parcel, the Treasurer's Office will issue a check for the redemption amount, less the amount collected for the redemption certificate fee. The purchaser will receive a check directly or by mail with a copy of the redemption certificate with a breakdown of the total amount of the redemption. The redemption certificate should be retained for income tax purposes.

If the original Certificate of Purchase has been lost or destroyed, a duplicate can be obtained from the Treasurer's Office at a cost of \$20.00.

In the event you have been reimbursed for redemption and the taxpayer's check does not clear the taxpayer's bank account, for any reason, you will be required to return the funds to the Treasurer's Office. The tax sale certificate will be returned to you and the redemption will be canceled. The tax sale will be reinstated as of the original sale date. A subsequent redemption will be calculated from the date of the sale to date of repayment.

The certificate of purchase, the \$25.00 Treasurer's Tax Sale Deed issuance fee, and recording fees shall be submitted to the Shelby County Treasurer within 90 calendar days after the redemption period expires. The Treasurer shall cancel the certificate for any tax sale certificate holder who fails to comply.

If it is determined that any parcel was erroneously sold, the certificate of purchase will be cancelled. The certificate holder is required to return the certificate of purchase and will be immediately reimbursed the principal amount of the investment. Interest from the assignment date to the date of cancellation of the certificate will not be paid.

DISCLAIMER

This document has been prepared to provide general information and guidelines relative to tax sales, assignments and tax sale redemptions. It is not an all-inclusive listing of statutory requirements, procedures or policy, nor is it to be construed as a legal opinion of the statutes governing tax sales.

This revised list of guidelines replaces any previous guidelines by this office.

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. This document is effective for taxes sold between June 20, 2016 and June 16, 2017, and all their assignments.

Information submitted by tax sale bidders, other than a social security number or taxpayer ID number, becomes public information.

Iowa Code Chapters 446, 447, and 448 as amended are pertinent chapters to Tax Sales, Tax Redemption, and Tax Deeds. The Iowa Code is available on-line at www.legis.state.ia.us.

Prospective buyers should consult with legal counsel to determine their legal rights and remedies and to protect their interest as a tax sale buyer.

Carolyn Blum
Shelby County Treasurer

The Delinquent Tax List for Shelby County will be published in the following newspaper:

Harlan Tribune & News Advertiser
1114 - 7th St.
P.O. Box 721
Harlan, IA 51537
Phone: (712) 755-3111

To obtain a copy of the tax sale list, send a self-addressed stamped envelope along with \$2.00. When the list is completed and printed in the newspaper we will mail a copy to you. Or you can contact the Harlan Newspaper; P.O. Box 721; Harlan, Iowa 51537-0721 and obtain a list directly from them.

The Treasurer's Office also offers a file containing additional information on the parcels listed on the delinquent tax list. This file is available by e-mail for a **pre-paid** fee of \$50.00. The file, created in Microsoft Excel, contains the following information:

- Parcel ID
- Deed Name and Address
- Contract Name and Address
- Property Address
- Property Class: R-Residential, C-Commercial, A-Agricultural
- 1st Half and 2nd Half Tax Amounts
- Delinquent Interest and Cost
- Assessed & Taxable Values
- Gross & Net Tax Amounts

**SHELBY COUNTY, IOWA
 REGISTRATION OF TAX SALE BUYER OR ASSIGNEE
 FOR THE JUNE 20, 2016 ANNUAL TAX SALE AND SUBSEQUENT
 ADJOURNMENTS OR ASSIGNMENTS THEREOF**

The undersigned hereby registers as bidder at the Shelby County Annual Tax Sale to be held at 10:00 a.m., Monday, June 20, 2016, at the Board of Supervisor's Chambers, Room 107; Shelby County Courthouse; 612 Court Street; Harlan, Iowa, and subsequent adjournments thereof, and so hereby acknowledge receipt of a copy of the "NOTICE TO TAX SALE PURCHASERS OF THE TERMS AND CONDITIONS GOVERNING TAX SALES AND ASSIGNMENTS", and do further hereby acknowledge and agree that by placing a bid at the annual tax sale, or subsequent adjournments, the undersigned will comply with and be bound by the terms and conditions of the contents therein. **The attached ORIGINAL forms, along with a twenty-five dollar (\$25.00) registration fee, must be returned by 4:30 p.m. Thursday, June 16, 2016, to the Shelby County Treasurer; P.O. Box 110; Harlan, IA 51537-0110.**

By signing below, I certify that the bidder, if not an individual, has a federal tax identification number and either a designation of agent for service of process on file with the Iowa Secretary of State or a verified statement of trade name on file with the Shelby County Recorder.

Bidder/Company Name*

Street Address/PO Box City State Zip

S.S./Fed. ID # County Birthdate (If Individual)

Email Address - Optional Telephone

By signing this registration form, I agree that all the information I have provided on this form is true and correct.

Signature (If buyer is a company, signature and title of company officer are required) Date

***Note: All tax sale certificates of purchase, assignments, and tax deeds will be issued in the bidder's name as shown above.**

****Form is considered complete when all information has been filled in and form has been signed and dated and \$25.00 registration fee is paid.**

AUTHORIZATION TO REPRESENT BIDDER

Please **print** or **type** the following information and return **original authorization by 4:30 p.m., Thursday, June 16, 2016** to:

CAROLYN BLUM
SHELBY COUNTY TREASURER
P.O. BOX 110
HARLAN, IA 51537-0110

I/We, _____
(Tax Sale Investor's name, as it appears on the registration form)

authorize _____
(Only one name per bidder authorization)

to act as my/our agent/personal representative at the June 20, 2016, tax sale and adjourned sales thereof.

Printed name of Buyer/Company Office Holder

Tax Sale Investor's Signature

Address

City, State & Zip Code

Date

STATE OF _____)

) ss:

COUNTY OF _____)

Subscribed and sworn to me this _____ day of _____, 2016.

Signature of Notary