

**TERMS AND CONDITIONS GOVERNING THE ANNUAL
TAX SALE OF JUNE 15, 2009
AND ADJOURNMENTS OR ASSIGNMENTS THEREOF**

*Terms and conditions of the 2009 June Tax Sale:
Please read carefully as some of the terms have changed.*

The 2009 annual tax sale will be held by the Montgomery County Treasurer on **Monday, June 15, 2009**, in the **Montgomery County Court Room, 2nd Level, at 8:00 a.m.** for as long as bidders are present, or until every parcel has been offered for sale. Each registered bidder will receive a number when signing in the morning of the sale. The sale will be conducted on a lottery basis.

The following information is provided to assist in the purchase of delinquent taxes during the Annual Tax Sale.

1. Electronic Devices Prohibited

Cellular phones, pagers, tape recorders, camcorders, and other audible electronic devices are to be turned off during the sale. Laptop or notebook computers are allowed only if they are operated from battery packs. A violation in the use of electronic devices may result in the disqualification of the bidder.

2. Registering for the Tax Sale

All bidders must register prior to the tax sale. Deadline for registration is 4:30 p.m. Thursday, June 11, 2009. Any person failing to return the completed Bidder Packet in a timely fashion will not be allowed to bid or participate in the Treasurer's Annual Tax Sale on Monday, June 15, 2009.

Registration fee schedule:

Registration and bidder authorization fees are non-refundable.

The registration fee is \$25.00

The fee for authorizing an agent to bid for a registrant is \$10.00

The fee for changing an authorized agent is \$10.00

The registration fee includes bidding at the June 2009 sale and all associated adjourned tax sales.

The Bidder must properly complete or provide the following forms:

1. Registration of Tax Sale Buyer or Assignee – must be signed and completed each tax sale year.
2. W-9 – This W-9 form must be completed to issue an accurate 1099-INT statement with appropriate social security number or taxpayer identification number.
3. Authorization to Represent Bidder – A registrant may, through a completed ‘Authorization to Represent Bidder’ form filed with the County treasurer, designate one agent to bid on his or her behalf during the 2009 annual and adjourned tax sales.
4. Provide copy of a Designation of Agent for Service of Process filed with the Secretary of State (Certificate of Existence) or a copy of a verified statement meeting the requirements of chapter 547 filed with the County Recorder (if applicable).

The ‘Authorization to represent Bidder’ form must be signed by the same individual who signed the ‘Registration of Tax Sale Buyer or Assignee’, and ‘W-9’ forms. 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 re-offered to other properly registered bidders.

All bidders must pre-register by 4:30 p.m. Thursday, June 11, 2009, to be eligible to bid at the annual tax sale. Submit properly completed and signed forms: Registration of Tax Sale Bidder or Assignee, W-9, Agent Authorization (if applicable), and if other than an individual provide either a designation of agent for service of process on file with the Secretary of State or a verified statement meeting the requirements of chapter 547 on file with the Montgomery County Recorder. The Registration fee is \$25.00 and the Agent Authorization fee is \$10.00 (if applicable).

Please mail/deliver registration forms to:

Carol Strovers
Montgomery County Treasurer
105 Coolbaugh St. PO Box 469
Red Oak, IA 51566

All bidder/buyers/assignees must be 18 years of age or older as of June 15, 2009. Proof of valid age, i.e., driver’s license, non-driver ID issued by a state agency, or certified copy of birth certificate may be required by the Treasurer’s Office.

Authorization to Change Agent

A bidder may elect to change the name of the authorized agent one time prior to the deadline for bidder registration. **A bidder will not be allowed to change the name of an authorized agent the day of the sale.** The fee for changing an authorized agent is \$10.00. The required form is included in the bidder packet.

3. Bidding at the Tax Sale

Parcels with delinquent taxes will be offered for sale by item number, by taxing district, as reflected in the tax sale publication. **It is the bidder's responsibility to be prepared for the sale and to know the item number(s) within each district in which you are interested.**

Each parcel will be offered for sale beginning with the first item. After the item has been announced an active bidder **will be selected by a random drawing.** The bidder selected by random drawing must immediately accept the purchase of the item by announcing **"sold"** or refuse by announcing **"pass,"** in which case another bidder will be randomly selected.

4. Purchasing Tax Sale Certificates

Payment is 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 \$20.00 certificate fee for each certificate issued. We will accept payment in the form of cash, cashiers check, money order and personal checks. We will not accept wire transfers, ACH or credit cards for payment of tax sale certificates. Checks not honored by the bank for any reason will result in the cancellation of tax sale certificates.

Please allow 10 days to receive your certificate(s). At the time certificates are mailed or picked up, reimbursement will be included for those parcels that have been redeemed from this sale, in lieu of the tax sale certificate of purchase being sent. It is the purchaser'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 purchaser. The titleholder of record or other interested parties retain the right to redeem within the specified period of time, depending on the type of tax sale. If the certificate remains unredeemed after this period has expired, the purchaser may begin proceedings to obtain a tax deed to the parcel. (refer to section: '90 Day Notice of Right of Redemption' Affidavit.)

5. Notification of 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 the tax sale.

6. Reimbursement of Tax Sale Redemption

Redemption is not valid unless received by the county treasurer prior to the close of business on the 90th day from the date of completed service (except county held certificates). A redeemed tax sale will include the following:

- a. The original tax sale amount, including the \$20.00 certificate fee paid by the purchaser at the time of sale.
- b. Interest in the amount of 2% per month, beginning with the month of sale, calculated against the amount, for which the item was sold, including the amount paid for the certificate of 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 sale, with interest in the amount of 2% per month, beginning with the month the subsequent payment is posted to the county system. Each fraction of a month is counted as a whole month.
- d. Valid costs incurred and posted to the county system for action taken toward obtaining a tax deed. Costs not filed with the treasurer before redemption shall not be collected.

The cost of serving notice, including the cost of sending certified mail notices, and the cost of publication under section 447.10 Code of Iowa, if publication is required, shall be added to the amount necessary to redeem. The cost of a record search shall also be added to the amount necessary to redeem. If the certificate holder is other than a county, the search must be performed by an abstractor who is an active participant in the title guaranty program under Iowa Code 16.91 or by an attorney licensed to practice law in the state of Iowa, and the amount of the cost of the record search that may be added to the amount necessary to redeem shall not exceed \$300.00. Valid costs are defined in 447.13, Code of Iowa. By statute (447.12), costs cannot be filed with the county treasurer prior to the filing of the '90 Day Notice of Right of Redemption' affidavit with the county treasurer.

Upon surrender of the tax sale certificate of a redeemed parcel, either in person or by mail, the treasurer's office will issue a check for the redemption amount, less the amount collected for any applicable redemption certificate fees. The purchaser will receive a check directly or by mail and a copy of the redemption certificate, with a breakdown of the total amount of the redemption, to be retained for income tax purposes.

If the original certificate of purchase has been lost or destroyed, a duplicate can be obtained from the Montgomery County 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, you will be required to return the funds to the treasurer upon notification. We will return the Tax Certificate to you and cancel the redemption. The tax sale will be reinstated as of the original sale date.

At the end of the calendar year, the county treasurer will issue a 1099-INT form to buyers and to the Internal Revenue Service of the cumulative interest paid to the buyer during the calendar year.

7. Payment of Subsequent Taxes

A tax sale purchaser may pay subsequent taxes and special assessments, on the same parcel(s) on which he/she holds the tax sale certificate, beginning fourteen days following the date from which an installment becomes delinquent (i.e. October 15 and April 15). The purchaser is responsible for requesting statements if desired and for **informing the Treasurer's office of the subsequent payment so it is properly recorded as an addition to the sale.** Only items due in the current fiscal year or prior 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 due. A subsequent payment must be received and recorded by the treasurer in the county system by the last business day of the month for interest for that month to accrue and be added to the amount due under Iowa Code 447.1.

8. 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. An assignment is not considered valid until posted to the county system by the Treasurer. A certificate cannot be assigned to another bidder, other than a municipality, who has redemption rights. The tax sale certificate of purchase and/or a treasurer's deed can be set aside if it is determined that the tax sale purchaser was ineligible. The general rule is that a tax sale purchaser or assignee should never have an interest or lien in the parcel offered for sale. A bidder should consult with legal counsel to determine your right to bid and become a tax sale purchaser, either through bid or through 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.

9. '90 Day Notice of Right of Redemption' Affidavit

Service is completed when the certificate holder files the '90 Day Notice of Right of Redemption' affidavit with the County Treasurer. A redemption will not be processed unless received by the Treasurer before the close of business on the ninetieth day from the date of completed service or as allowed by law. Service must be compliant with the law in effect at the time of the tax sale.

(a) Regular Tax Sale:

The 'Notice of Right of Redemption' may be served after one year and nine months from the date of sale. **(Parcels eligible for regular tax sale have been advertised only once.)**

(b) Public Bidder:

The 'Notice of Right of Redemption' may be issued after nine months from the date of sale. **(Parcels eligible for public bidder tax sale have been advertised for the second year.)**

If the certificate holder fails to file a '90 Day Notice of Right of Redemption' affidavit within three years from the date of the tax sale, the County Treasurer shall cancel the tax sale. In this instance, the tax sale purchaser is not entitled to a refund.

10. 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 Treasurer is required by statute to cancel the certificate of purchase for any tax sale certificate holder who fails to comply with this paragraph.

The deed issuance fee is \$25. The recording fee is variable and will be determined at the time a deed is requested. Upon receipt of the deed issuance and recording fees, the Treasurer will record the deed with the County Recorder prior to delivering the deed to the purchaser.

If the certificate holder fails to request a tax sale deed within ninety calendar days after the redemption period expires, the County Treasurer shall cancel the tax sale. In this instance, the tax sale purchaser is not entitled to a refund.

11. Erroneous Tax Sale or Assignment

If it is determined that any item was erroneously sold, the certificate of purchase will be canceled. The certificate holder will return the certificate of purchase and the 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 canceled. The certificate holder will return the certificate of purchase, and the 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.

12. Abandoned parcel Law

Iowa law 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)

13. General Information

This document has been prepared to provide general information and guidelines relative to tax sales, tax sale assignments, tax sale redemption's, 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 Montgomery County Treasurer reserves the right to reject any or all bids and waive irregularities, which appear to be in the best interest of Montgomery County.

A tax sale buyer should consult with legal counsel to determine his/her legal rights and remedies and to protect his/her interest as a tax sale buyer.

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 items sold between June 15, 2009, and May 31, 2010, and all their assignments, thereof, regardless of the assignment date.

Call the Montgomery County Treasurer's office at (712) 623-3292 to obtain additional information.