

**TERMS AND CONDITIONS GOVERNING THE ANNUAL
TAX SALE OF JUNE 20, 2011
AND ADJOURNMENTS OR ASSIGNMENTS THEREOF**

*Terms and conditions of the 2011 June Tax Sale:
Please read carefully as some of the terms have changed.*

The 2011 annual tax sale will be held by the Montgomery County Treasurer on **Monday, June 20, 2011**, 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 be assigned a bidder number upon registration and will receive a corresponding bidder number the morning of the sale. The sale will be conducted on a lottery basis. Registered bidder numbers will be entered into a computer generated random drawing process to determine one buyer for each parcel offered.

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 16, 2011. 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 20, 2011. A Bidder Packet will not be considered complete until all required documents and fees are received by the treasurer's tax office. Postmarks will not be acceptable proof of timely registration.

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(s) includes bidding at the June 2011 sale and all associated adjourned tax sales.

The Bidder must properly complete or provide the following forms:

1. Registration of Tax Sale Bidder 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. Agent Authorization – A registrant may, through a completed ‘Agent Authorization’ form filed with the County treasurer, designate one agent to bid on his or her behalf during the 2011 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).
5. Proof of Eligibility Statement.

The ‘Agent Authorization’ form must be signed by the same individual who signed the ‘Registration of Tax Sale Bidder 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 16, 2011, 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. All bidders are required to sign and submit the Proof of Eligibility Statement. 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

Proof of Age and Identity

All bidder/buyers/assignees must be 18 years of age or older as of June 20, 2011. 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.

A prospective bidder may also submit a written bid if s/he cannot attend; however, if other bids are received on the same parcel, the tax sale certificate will be issued to a bidder who is present at the sale.

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. All parcels shown in the publication will be offered for sale except those that (1) have been paid subsequent to the publication; (2) those withheld due to bankruptcy laws prohibiting the sale. **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.**

Bidder numbers

Bidder numbers will be entered into the tax sale random drawing process. A bidder is required to check-in at the registration desk prior to the start of the sale in order to have his/her bidder numbers entered in the tax sale random drawing process. The Annual Tax sale will begin promptly at 8:00 A.M. If a bidder fails to check-in at the registration desk the bidder number will be idled and will not be included in the random drawing process, eliminating the bidder from the Annual Tax Sale. The bidder is responsible to make sure his/her number is activated through the registration check-in process.

Each parcel will be offered for sale to all properly registered bidders by the auctioneer, beginning with an opening bid of 100% undivided interest. Once the auctioneer announces the item to be sold, bidders may bid downward a percentage of undivided interest. "Bid downs" will range in whole percentage points from 99% to 1%. **If, immediately after reading the item number and name of deed holder, the auctioneer does not clearly hear the words "bid down" from any bidder, a randomly drawn number will be offered at 100%** and if accepted by the bidder whose number is drawn will be sold at 100% undivided interest in the property.

When the auctioneer determines that there are no further bids and the bid is a tie, a bidder will be chosen by the random drawing process. The bidder selected at random 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. If there is not a tie bid, the sale will be awarded to the lone active bidder. A response of “sold” to the auctioneer results in an obligation on the part of the bidder to pay for the certificate.

4. Purchasing Tax Sale Certificates

Payment is required at the conclusion of the sale. A separate payment instrument is required for each bidder number. 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 up to 15 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. DO NOT begin any work on the property or trespass on it. 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 at the time of the sale by regular mail 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. The County Treasurer requires a copy of the newspaper publisher's invoice and a statement from the certificate holder substantiating the reason service was made by publication prior to posting publication costs to the amount necessary to redeem to determine whether publication costs are valid. 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.

The purchaser is responsible for checking parcels on which s/he holds the certificate of purchase for redemption. You may telephone the Treasurer's Office at 712-623-3292 to inquire if redemption funds under your buyer name(s) are available for payment to you. Usually, this Treasurer's Office will notify you when funds are available for payment to you. This Treasurer's Office cannot be held responsible for any claims due to failure of this Treasurer's Office to notify you.

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. 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. Late interest shall be calculated through the date that the subsequent payment is recorded in the county system. In no instance shall the date of postmark of a subsequent payment be used by the treasurer either to calculate interest or to determine whether interest shall accrue on the subsequent payment.

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 buyer, 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 rights 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.)**

10. Cancellation of Tax Sale Certificate

If three years have elapsed from the date of the sale, the certificate has not been redeemed, and the 90-day Notice of Expiration of Right of Redemption Affidavit of Service has not been filed with the county treasurer, the treasurer will cancel the tax sale certificate. The tax sale certificate holder is not entitled to a refund. However, if the filing of the affidavit of service is stayed by operation of law, the time period for the filing of the affidavit shall not expire until the later of six months after the stay has been lifted or three years from the time of the tax sale.

Failure to Request Tax Deed. After the redemption period has expired, the tax sale certificate holder must return the Certificate of Purchase and remit the appropriate deed issuance and recording fees to the county treasurer prior to the close of business on the ninetieth day from the date of completed service or as allowed by law. Failure to comply will result in cancellation of the certificate of purchase, and the certificate holder is not entitled to a refund.

11. 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.

12. 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.

13. 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)

14. General Information

This document has been prepared to provide general information and guidelines relative to tax sales, tax sale assignments, tax sale redemptions, and the issuance of a tax sale deed. 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 20, 2011, and June 17, 2012, and all their assignments, thereof, regardless of the assignment date.

The doctrine of caveat emptor, meaning “buyers beware”, applies to this tax sale.

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

Carol Strovers
Montgomery County Treasurer

The Delinquent Tax List for Montgomery County will be published the first week of June in the following newspaper:

The Red Oak Express
2012 Commerce Drive
PO Box 377
Red Oak, IA 51566
712-623-2566

An updated list of parcels available for tax sale may be purchased from the Montgomery County Treasurer for \$25.00 to cover copies and postage. A file containing additional information on the parcels listed on the delinquent tax list is available by e-mail for a fee of \$25.00.