

WASHINGTON COUNTY TREASURER

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NOTICE TO TAX SALE PURCHASERS OF THE TERMS AND CONDITIONS GOVERNING THE ANNUAL TAX SALE OF JUNE 19, 2023, AND ADJOURNMENTS OR ASSIGNMENTS THEREOF

The 2023 annual tax sale will be held by the Washington County Treasurer on Monday, June 19, 2023, beginning at 9:00 am at the Washington County Courthouse. **All bids for the annual tax sale must be placed online at www.iowataxauction.com. Live bids will not be accepted.** Adjourned tax sales may be held any business day following the annual tax sale if there are bidders present and parcels remain available for sale.

The following information is provided to assist in the purchase of delinquent taxes during the tax sale or in obtaining assignment of a Tax Sale Certificate of Purchase.

REGISTRATION

All bidders for the annual tax sale must register online at www.iowataxauction.com. Prior year's registrations are not valid for this sale. No mailed or emailed registrations will be accepted. Registration will begin on Monday, May 22, 2023, and end on Thursday, June 15, 2023. All steps in the registration process must be completed by 11:59 pm on June 15, 2023. By completing the online registration process, you are affirming that you will abide by our tax sale rules. Registration assistance is available by calling 877-243-9997 or by emailing support@iowataxauction.com.

A registration fee of \$45.00 per registration must be paid by ACH debit at the time of registration. The registration fee is **non-refundable** and covers the 2023 annual sale and adjournments thereof. The fee shall not be assessed against a municipality or the county as a purchaser.

Only those persons as defined in section 4.1 of the Code of Iowa possessing a social security or federal tax identification number may register to bid at the tax sale or own a Tax Sale Certificate of Purchase. In addition, persons other than individuals must certify that they have filed either a designation of agent for service of process with the Iowa Secretary of State or a verified statement meeting the requirements of chapter 547 of the Code of Iowa with the Washington County Recorder in order to be properly registered.

All bidders must be 18 years of age or older as of June 19, 2023.

All bidders must register using their official unabbreviated Internal Revenue Service name. Registration is deemed complete when all online forms, including an I.R.S. form W-9, are properly completed. The registrant's name must be identical on all forms.

For bidders not already registered through the online process, registration for adjourned sales must be completed directly through the County Treasurer's office. Registration for adjourned sales will be accepted any time prior to the start of an adjourned sale.

A Tax Sale Certificate of Purchase and/or Tax 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 in the parcel offered for sale. Prospective bidders should consult with legal counsel to determine their right to become a certificate holder either through bid or through assignment.

Internal Revenue Service regulations require this office to obtain the taxpayer identification number or social security number of purchasers of taxes. An I.R.S. form W-9, showing the official unabbreviated I.R.S. bidder name, must be completed online during the registration process. This information is required to issue an accurate 1099-INT form with the appropriate social security number or taxpayer identification number.

At the end of the calendar year, the County Treasurer will issue a 1099-INT form to each certificate holder earning cumulative interest equal to or in excess of \$600.00 during the calendar year. This information will also be submitted to the Internal Revenue Service and may be needed when filing Federal and State Income Tax returns.

If a buyer underreports the interest amount received, the Internal Revenue Service will direct the County Treasurer to implement a backup withholding procedure at the current I.R.S. rate. If this should occur, the County Treasurer reserves the right to ban the buyer and all associated buyers from future tax sales.

Errors, omissions, or misrepresentations by a tax sale bidder may disqualify the bidder from the sale. Any person placing a bid without proper registration or authorization may be disqualified from the sale. In these instances, all certificates purchased by the disqualified bidder during the sale may be cancelled and re-offered to other properly registered bidders.

SALE OF DELINQUENT TAXES

The delinquent tax list for Washington County will be published in *The Southeast Iowa Union* and *The News* on June 1, 2023. These publications can be obtained by calling *The Southeast Iowa Union* at (319) 653-2191 or *The News* at 319-656-2273. The delinquent list will also be also available online at www.iowatreasurers.org and <http://co.washington.ia.us>.

Parcels on the published list will be available for review on the auction site (www.iowataxauction.com) by Friday, June 2, 2023. You must complete the entire registration process to access the data.

Parcels that were paid subsequent to publication, those subject to bankruptcy, and those determined to be eligible for suspension will be withheld from the sale. A Certificate of Purchase may be rescinded if a pre-existing stay order from bankruptcy court is made known to the County Treasurer after the tax sale. In this case, only the principal amount of the investment will be refunded to the purchaser. The County Treasurer will not pay interest. In the event of bankruptcy proceedings, either before or after the sale, there is no guarantee the purchaser of the certificate will receive any anticipated interest. The United States Bankruptcy Court will make that determination.

It is the bidder's responsibility to be prepared for the sale and to know the parcel(s) upon which to bid. Bidders are advised to research the parcel(s) prior to the tax sale to determine whether the property would be of sufficient use or value should a deed be obtained.

Bids can be uploaded at the auction site (www.iowataxauction.com) prior to the start of the sale, but will not be applied until the sale opens at 9:00 am on Monday, June 19, 2023. All parcels will be listed in the order they were published. The delinquent taxes on each parcel will be offered for sale to all bidders beginning with a 100% undivided interest. 'Bid downs' will range in whole percentages from 99% to 1%. Washington County does not utilize batches.

When the sale closes at 10:00 am, a tax sale certificate for each parcel will be awarded to the bidder offering to pay the total amount due for the smallest percentage undivided interest in the parcel. If two or more bidders have placed an equal bid and the bids are the smallest percentage allowed, the successful bidder will be selected by using a random selection process.

Collusion by bidders to prevent the 'bid-down' process will not be tolerated. If collusion is discovered after the tax sale, any Tax Sale Certificates of Purchase involved will be void and the parcels resold at a later date. Such fraudulent collusion prevents selling a parcel for the smallest percentage of undivided interest. This is a prohibited practice at this tax sale and violation may disqualify a bidder from the sale.

All sales are final. All bids must be placed in good faith. Bids placed, whether intentional or not, are the responsibility of the bidder and may not be withdrawn.

In the event a bidder purchases a parcel for which they already hold a previous Tax Sale Certificate of Purchase, the payment will be added as a subsequent payment to the existing certificate. Since the bidder should not bid on such a parcel to begin with, the certificate fee will not be refunded. In addition, the bidder could be barred from future sales.

Successful bidders will receive an invoice when the sale has closed. **An ACH debit for the total amount due will automatically initiate from the same account used for payment of registration fees.** The total amount due will include all delinquent taxes, special assessments, rates or charges, interest, special assessment collection fees, service fees, and a \$20 certificate fee for each certificate purchased.

If a tax sale bidder's payment is not honored for any reason, i.e., non-sufficient funds, account closed, etc., the buyer will have three business days following notification from the County Treasurer to repay with guaranteed funds or the Tax Sale Certificate(s) of Purchase will be cancelled. A \$30.00 service fee will be added for each check returned unpaid due to insufficient funds. The County Treasurer reserves the right to require guaranteed funds for any future payments from the tax sale bidder.

If payment is cancelled, certificates purchased by that bidder will be cancelled and the parcels re-offered at adjourned sale. The buyer, and any associated entities, will be prohibited from bidding on these parcels. In addition, the buyer, and any associated entities, may be prohibited from bidding at any future tax sale in Washington County.

For each parcel sold, the County Treasurer is required to notify the title holder of record within fifteen days from the date of sale that the parcel was sold at tax sale.

CERTIFICATE OF PURCHASE

Please allow 7 to 10 days to receive certificates. This allows the County Treasurer's staff time to complete posting of records, editing of certificates, and balancing of the proceeds received from the tax sale. It is the purchaser's responsibility to verify that the Tax Sale Certificates of Purchase are correct and are for the parcels purchased. Tax Sale Certificates of Purchase will not be held by the County Treasurer's office.

The Tax Sale Certificate(s) of Purchase will be issued to the exact name and taxpayer identification number as shown on the bidder registration form. There will be no substitutions or exchanges.

The Tax Sale Certificate of Purchase does not convey title to the certificate holder. The title holder of record or other interested party retains the right to redeem within the statutory period depending on the type of tax sale. If the Tax Sale Certificate of Purchase remains unredeemed after the statutory period, the certificate holder may begin action to obtain a Tax Deed.

Purchasers are required to notify the County Treasurer's office of any change in their address, telephone number, or e-mail address.

If it is determined that any parcel was erroneously sold, the Tax Sale Certificate of Purchase will be cancelled. The County Treasurer will reimburse the principal amount of the investment, but will not pay interest.

If the original Tax Sale Certificate of Purchase has been lost or destroyed, a duplicate can be obtained from the Property Tax Department at a cost of \$20.00. An Affidavit for Lost or Destroyed Tax Sale Certificate of Purchase must be completed.

PURCHASE BY COUNTY OR CITY FOR USE AS HOUSING

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 or city for vacant lots or for abandoned parcels if the county or city files a verified statement of abandonment with the County Treasurer (see section 446.19A of the Code of Iowa).

PUBLIC NUISANCE TAX SALE – REHABILITATION FOR USE AS HOUSING

Abandoned residential property, for which a verified statement is filed with the County Treasurer by May 15th, will be offered and sold separately at public nuisance tax sale. To be eligible to bid on parcels at public nuisance tax sale, prospective bidders must enter into an agreement with the county or city and demonstrate intent to rehabilitate the property for use as housing if not redeemed (see section 446.19B of the Code of Iowa).

ASSIGNMENT

The Tax Sale Certificate of Purchase is assignable by endorsement of the certificate, payment of a \$100.00 assignment fee, and the forwarding of the certificate with original signature endorsement to the County Treasurer for entry in the county system. An assignment is not considered valid until posted to the county system by the treasurer. Upon receipt of the \$100.00 assignment fee and properly completed registration forms from the assignee, the County Treasurer will make the necessary entries in the county system. The assignee will not be charged the bidder registration fee, but must still complete all registration forms. The assignment fee will not be reimbursed at the time of redemption.

A Tax Sale Certificate of Purchase cannot be assigned to a person, other than a municipality, who has redemption rights. The assignor may not assign a certificate to more than one assignee.

Only those persons as defined in section 4.1 of the Code of Iowa, possessing a social security or federal tax identification number, may receive assignment of a Tax Sale Certificate of Purchase issued after June 1, 2009. In addition, persons other than individuals must certify that they have filed either a designation of agent for service of process with the Iowa Secretary of State or a

verified statement meeting the requirements of chapter 547 of the Code of Iowa with the Washington County Recorder.

To obtain an assignment of a Tax Sale Certificate of Purchase that is held by Washington County, contact the County Treasurer's Property Tax Department. The terms and conditions set forth in this document apply to both certificates obtained through assignment and to certificates obtained directly through the tax sale. If it is determined that a county-held certificate was erroneously assigned, the assignment will be cancelled. The assignee shall return the certificate and the County Treasurer will reimburse the total amount paid for the assignment, including the assignment fee. Interest from the assignment date to the date of cancellation of the certificate will not be paid.

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 County Treasurer, instead of from the date of the tax sale, to qualify for a Tax Deed.

When a certificate holder requests the County Treasurer to record a change in the Social Security number or taxpayer identification number, it considered an assignment and the \$100.00 assignment fee will be charged. Failure to provide the correct taxpayer identification number or social security number will result in a charge of \$100.00 for each certificate purchased under that taxpayer identification number or social security number.

SUBSEQUENT TAX PAYMENTS

A certificate holder may pay subsequent taxes and special assessments, including rates or charges, on the same parcel(s) on which they hold a Tax Sale Certificate of Purchase beginning one month and fourteen days following the date from which an installment becomes delinquent. Only items delinquent in the current fiscal year or prior may be paid as a 'subsequent tax payment'. Special assessments, rates or charges due in future years cannot be paid until the fiscal year in which they become due and are more than one month and fourteen days delinquent.

The Washington County Treasurer requires all subsequent tax payments to be made online at www.iowatreasurers.org. To access the subsequent tax payment system, you will first need to register by selecting 'Register to Pay Subsequent Tax' from the 'Property Tax' menu. After registering, you can log in by selecting 'Login to Pay Subsequent Tax' on the same menu. You will then be able to access a list of parcels on which you hold a tax sale certificate. You can select the items you want to pay and submit payment by ACH debit. A non-refundable fee of \$0.25 per parcel applies.

Online subsequent payments must be completed by 11:59 pm on the day before the last business day of the month in order for interest to accrue for that month. It is the investor's responsibility to know what days are 'business days' for Washington County and to review the list to confirm all applicable parcels are included in the online portfolio.

Subsequent payments received by mail will not be posted and will be immediately returned by regular mail.

Online tax payments that are not completed through the online subsequent payment process will be treated as voluntary payments and will be omitted from redemption calculations. Refunds will only be issued upon written request from the payer.

After subsequent tax payments have been applied by the County Treasurer's office, the treasurer will not refund the payment if the certificate holder later decides that they did not want to pay taxes for a particular parcel.

Recorded subsequent tax payments will accrue interest at the rate of 2% per month, beginning with the month the payment is posted to the county system to the month of redemption. Subsequent tax payments completed online on the last business day of the month will not be posted until the first business day of the next month.

The subsequent tax payment provisions above apply to all tax sale certificates, regardless of sale date.

SERVICE OF 90-DAY NOTICE OF EXPIRATION OF RIGHT OF REDEMPTION

Service is completed when a certificate holder files the original copy of the Affidavit of Service of the 90-day Notice of Expiration of Right of Redemption with the County Treasurer.

If the Tax Sale Certificate of Purchase remains unredeemed after the statutory period, as shown below in items 1 and 2, the certificate holder may begin action to obtain a Tax Deed to the parcel.

1. For Regular Sale parcels (only advertised once), the 90-day Notice of Expiration of Right of Redemption may be served by the certificate holder after one year and nine months from the date of sale.
2. For Public Bidder Sale parcels (advertised consecutively more than once and marked with an 'S' on the publication), the 90-day Notice of Expiration of Right of Redemption may be served by the certificate holder after nine months from the date of sale.

It is Washington County's intent to afford property owners with all of the rights and remedies of Iowa law. Therefore, certificate holders are prohibited from serving this notice or a similarly worded notice either early or after a Tax Sale Certificate of Purchase has been redeemed. A violation of this policy may result in the tax sale buyer being barred from future sales in Washington County.

The certificate holder is responsible to ensure that service of the 90-day Notice of Expiration of Right of Redemption is compliant with the law in effect at the time the tax sale certificate was issued. A tax deed may be set aside if proper service procedures are not followed.

The cost of serving the notice, including the cost of mailing notices, and the cost of publication under section 447.10 of the Code of Iowa, 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 of the Code of Iowa or by an attorney licensed to practice law in the state of Iowa.

By statute, costs cannot be filed with the County Treasurer, and thus be added to the amount necessary to redeem, prior to the filing of the Affidavit of Service of the 90-day Notice of Expiration of Right of Redemption showing proof of service and a statement of costs. Service is completed when the certificate holder files the original copy of the affidavit with the County Treasurer. Faxes, scans, or photocopies of the affidavit will not be accepted.

The certificate holder is responsible for determining the status of a certificate before serving the 90-day Notice of Right of Redemption to interested parties. The Washington County Treasurer's office will not notify certificate holders when such action can be initiated. The treasurer's staff will not assist in completing the 90-day Notice of Expiration of Right of

Redemption. The County Treasurer is not responsible to verify that all parties of record have been properly served. It is strongly recommended that certificate holders retain legal counsel to complete this process.

Please do not include documents such as mailings and proof of publication with the Affidavit of Service of the 90 Day Notice of Expiration of Right of Redemption. You must retain these documents for use if needed in court. The County Treasurer is not responsible to provide these documents to you should they be needed later. Documents submitted with the affidavit will not be returned. They will be destroyed.

Holders of certificates for mobile/manufactured homes or for real estate with a mobile/manufactured home are strongly urged to research the title to the home to ensure that there are no outstanding liens noted thereon.

TAX DEED ISSUANCE

The Tax Deed conveys right, title, and interest in the property. Should a parcel not be redeemed within ninety days following the filing of the Affidavit of Service of the 90-Day Notice of Expiration of Right of Redemption pursuant to Iowa law, a Tax Deed will be issued upon the request of the certificate holder. Tax Deeds will be issued independently for each Tax Sale Certificate of Purchase that qualifies. The fee for the issuance of a Tax Deed is \$25.00. Recording fees, payable to the Washington County Recorder, are variable and will be determined at the time a deed is requested. Upon receipt of the original Tax Sale Certificate of Purchase, deed issuance fees, and recording fees, the County Treasurer will record the deed with the County Recorder prior to delivering the deed to the purchaser. Pursuant to an opinion from the Washington County Attorney, the Affidavit of Service of the 90-Day Notice of Expiration of Right of Redemption, showing parties served and the manner of service will be referenced in the tax deed and included in its entirety in the recording. After the deed is recorded, the deed holder may file an Affidavit by Tax-Title Holder with the County Recorder. Contact your legal counsel for procedures and to obtain this form.

CANCELLATION OF TAX SALE CERTIFICATES OF PURCHASE

A Tax Sale Certificate of Purchase will be cancelled under either of the following circumstances:

1. Failure to file Affidavit of Service of the 90-day Notice of Expiration of Right of Redemption. If three years have elapsed from the date of the sale, the certificate has not been redeemed, and the Affidavit of Service of the 90-day Notice of Expiration of Right of Redemption has not been filed with the County Treasurer, the treasurer will cancel the Tax Sale Certificate of Purchase. The certificate holder is not entitled to a refund. However, if the filing of the affidavit is stayed by operation of law, the time period for the filing of the affidavit shall not expire until six months after the stay has been lifted or three years from the date of the tax sale, whichever is later.
2. Failure to Request Tax Deed. After the redemption period has expired, the certificate holder must return the Tax Sale 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 pursuant to Iowa law. Failure to comply will result in cancellation of the certificate. The certificate holder is not entitled to a refund.

REDEMPTIONS

A redemption will not be processed unless tax sale redemption fees are received by the County Treasurer prior to the close of business on the ninetieth day from the date of completed service pursuant to Iowa law. The redemption amount will include the following:

- The original tax sale amount including the \$20.00 certificate fee paid by the certificate holder at the time of the sale.
- Interest in the amount of 2% per month, from the month of sale to the month of redemption, calculated against the amount for which the parcel was sold, including the \$20.00 certificate fee. Each fraction of a month is counted as a whole month.
- Subsequent tax payments paid and properly reported by the purchaser as an addition to the sale, with interest in the amount of 2% per month, from the month the subsequent payment is posted to the county system to the month of redemption. Each fraction of a month is counted as a whole month.
- Valid costs incurred by the certificate holder and posted to the county system for action taken toward obtaining a Tax Deed.

A copy of the Certificate of Redemption, reflecting a breakdown of the total amount of the redemption, along with a check will be sent by regular mail to the address on file following redemption. The Certificate of Redemption should be retained for income tax purposes.

If for any reason a certificate holder is paid for a redemption that was not actually redeemed or if a certificate holder is reimbursed for a redemption and the taxpayer's check does not clear the taxpayer's bank account for any reason, the certificate holder, upon notification, will be required to immediately return the redemption funds to the County Treasurer's Property Tax Department. The treasurer will return the Tax Sale Certificate of Purchase to the certificate holder and cancel the redemption. The tax sale will be reinstated as of the original sale date. A subsequent redemption will be calculated from the original date of the sale to date of repayment.

The County Treasurer's office will not calculate year-end interest accruals or provide bookkeeping services other than to provide a copy of the Certificate of Redemption at the time of reimbursement to the certificate holder.

Valid tax sale redemptions are the only instance whereby interest will be paid to the certificate holder. In all other instances, the County Treasurer will not pay interest.

GENERAL INFORMATION

The Washington County Treasurer intends to maintain the highest standard of ethics, thereby preventing conflicts of interest. The County Treasurer has the right, duty, and power to control all proceedings through which the tax sale process is conducted and to take any action necessary to ensure compliance with these tax sale terms and conditions as well as all applicable Iowa law.

This document is meant to provide general information and guidelines relative to Washington County's conduct of tax sales, tax sale assignments, tax sale redemptions, buyer reimbursements, and the issuance of tax deeds. The County Treasurer expects all bidders to follow these terms and conditions. It is not an all-inclusive listing of statutory requirements, procedures, or policy. It is not to be construed as a legal opinion on statutes governing tax sales. The County Treasurer's office will not respond to questions of law. Questions of this nature should be directed to your legal counsel.

The Washington County Treasurer reserves the right to reject any or all bids and to waive irregularities which appear to be in the best interest of Washington County.

Prospective buyers should consult legal counsel to determine their legal rights and remedies and to protect their interest as a tax sale buyer. Prospective buyers should also consult their tax attorney or tax preparer to identify any income tax consequences that might result from purchasing Tax Sale Certificates of Purchase.

The provisions of this document are severable. If any provision is determined to be contrary to law, the remaining provisions shall remain in full force and effect.

Legislation signed into law after the effective date below, or any procedural change implemented by the County Treasurer after the effective date, will take precedence over these printed terms and conditions.

Failure to comply with these guidelines or subsequent announcements may result in the bidder being prohibited from participating in present or future Washington County tax sales.

Unless otherwise noted, this document is effective for taxes sold between June 19, 2023, and May 31, 2024, and all assignments thereof.

Effective from May 1, 2023.

Jeffrey A. Garrett
Washington County Treasurer