

**OFFICE OF MILLS COUNTY TREASURER
418 SHARP STREET
GLENWOOD, IA 51534
712-527-4419**

Rebecca Killpack, TREASURER

**NOTICE TO TAX SALE PURCHASERS OF THE TERMS AND
CONDITIONS GOVERNING THE TAX SALE
JUNE 20, 2011**

The Mills County Treasurer holds the annual tax sale on the third Monday in June at 10:00 a.m. until every parcel has been offered for sale. Mills County will conduct the adjourned sales at 10:00 a.m. on the third Monday of August, October, December, February and April. If the third Monday falls on a legal holiday observed by the county, the sale for that month will be held on the fourth Monday.

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

Registration is deemed complete when the following forms are properly completed and received by the Treasurer: Registration of Tax Sale Buyer or Assignee, W-9, Authorization to Represent Bidder (if a bidder will not be representing him/herself), and proof of filing the Fed ID # with the Secretary of State or the Mills County Recorder. Mail or deliver forms to:

Mills County Treasurer
418 Sharp Street
Glenwood, IA 51534

The registration deadline is 4:00 p.m. June 17, 2011 to be eligible for the 10:00 a.m. session on Monday, June 20, 2011.

THERE WILL BE A REGISTRATION FEE OF \$25.00 TO BE INCLUDED AT THE TIME OF REGISTRATION.

All registrants must complete and sign a W-9 form. This information is required in order to issue an accurate 1099-INT statement with the appropriate social security number or taxpayer identification number.

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 2011 annual and adjourned tax sales. Each Registration of Tax Sale Buyer or Assignee form, W-9 Form, Authorization to Represent Bidder form and proof of filing of the FED ID # will be reviewed for completion and accuracy. **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 cancelled and reoffered to properly registered bidders.

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

3. Bidding at the Tax Sale

Parcels with delinquent taxes are offered for sale in numerical sequence by parcel number within taxing district, as reflected in the official tax sale publication. The tax sale consists of regular and public bidder real estate and regular and public bidder mobile homes. **It is the bidder's responsibility to be prepared for the sale and to know the properties that he/she intends to bid on.** You or the party for which you represent may not be entitled to bid at tax sale and become a tax sale purchaser by reason of having a vested interest in the parcel. 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.

Each item will be offered for sale to all bidders considered "active" (meaning those bidders who are properly registered) by the Treasurer beginning with an opening bid of 100%. 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. The percentage designated gives the tax sale certificate holder, upon the issuance of a treasurer's deed, an undivided interest in the parcel with the owner(s) of record. **The Certificate gives you no legal rights or duties regarding the property. Legal steps must be taken in order to acquire a deed to the property, based on the percentage of interest that you bid at Tax Sale. If your bid was 1% you would receive an undivided 1% interest in the property upon acquiring a Tax Deed.** You are responsible for knowing the law and following

through on your purchase. The County is not an attorney, and has no duty or responsibility to act in your behalf. Bids for less than one percent will not be accepted. If this results in a tie, the bidder will be chosen by a random selection process.

4. Purchasing Tax Sale Certificates

Payment is required at the conclusion of the sale. The amount collected will include all delinquent taxes, special assessments, drainage assessments, interest, special assessment collection fees, rates or charges, publishing costs and a certificate fee for each certificate issued.(Note: If payment does not clear for any reason, i.e., non-sufficient funds, account closed, etc., the tax sale certificate will be cancelled.)

Payment, with the proper identification, must be in the form of a personal check, money order, or any form of guaranteed funds for the exact amount of the purchase. A separate payment is required for each buyer number. Two-party checks will not be accepted for payment. Failure to make payment at the end of the sale will result in those parcels being re-offered at the adjourned sale. In this instance you will be prohibited from bidding again on these parcels.

If the buyers check does not clear the bank account, i.e., non-sufficient funds, account closed, etc., the buyer will have 5 days to repay with guaranteed funds or the tax sale certificate(s) will be cancelled. A \$30.00 service fee will be added for each check returned as unpaid.

Please allow up to 15 days to receive your certificates. This allows the Mills County Treasurer's staff time to complete posting the records, editing the certificates, balancing the proceeds received from the tax sale and preparing each buyer's certificates for mailing. At the time certificates are mailed, reimbursement will be included for those parcels that have been redeemed from this sale, in lieu of the certificate of purchase being sent. It is the buyer's responsibility to verify that the 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 party retains the right to redeem within the statutory period. If the sale remains unredeemed after the statutory period, the purchaser may begin action to obtain a tax sale deed.

5. Notification to Title holder 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 tax sale.

6. Reimbursement of a Tax Sale Redemption

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 the sale.
- B. Interest in the amount of 2% per month, beginning with the month of the sale to the month of redemption, 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 and properly reported by the purchaser as an addition to the sale, with interest in the amount of 2% per month, beginning with the month the subsequent payment is posted to the county system to the month of redemption. Each fraction of a month will count as a whole month.
- D. Valid costs incurred by the certificate holder of record posted to the county system for action taken toward obtaining a tax sale deed. Costs not posted to the county system before redemption shall not be collected by the County Treasurer.

Effective with the June 2001 tax sale, attorney fees, abstract or record search fees and costs of serving/ mailing the notice are not authorized costs. Valid costs are defined in the Code of Iowa, Chapter 447.13.

Effective with parcels sold at tax sales occurring on or after June 1, 2005, valid costs when serving the notice now include the cost of sending certified mail notices and the cost of publication, if publication is required, and the cost of a record search. However, if the certificate holder is other than a county, the record search must be 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, 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. Proof of this compliance with the code should be filed with the 90-day right of redemption affidavit.

The Mills 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 costs to the amount necessary to redeem to determine whether the publication costs are valid. Fees for publication, if publication is required, shall not exceed the customary publication fee for official county publications. By statute, (section 447.12), costs cannot be filed with the county Treasurer prior to the filing of the 90 Day Notice of Right of Redemption.

- E. A \$10.00 redemption certificate fee is retained by the county. (Note: Redemption does not include the assignment transaction fee paid to the county.)

The buyer is responsible for checking redemptions for which they hold the certificate to inquire if redemption funds are available for payment.

Upon surrender of the tax sale certificate for a redeemed tax sale either in person or by mail, the Mills County Treasurer will mail the redemption proceeds and a copy of the redemption certificate reflecting the total amount of the redemption to the buyer. Buyers should retain the redemption certificate copy for income tax purposes.

If the original certificate has been lost or destroyed, a duplicate can be obtained from Mills County Treasurer at a cost of \$20.00.

At the end of the calendar year the Treasurer will issue a 1099-INT form to the buyers and to the Internal Revenue Service for a buyer that received interest during that year.

If a buyer underreports the interest received, the IRS will direct the Treasurer to implement a backup withholding procedure at the rate of 31% of the interest collected. If this should occur the Treasurer reserves the right to ban the buyer and all associated buyers from future tax sales.

7. Payment of Subsequent Taxes

A tax sale purchaser should pay subsequent taxes and special assessments including rates or charges, on the same parcel on which they hold the tax sale certificate and add them to the certificate to prevent complications with a second certificate holder. The Treasurer will accept payments for subsequent real estate tax and special assessments beginning Oct. 15 for the first half tax payment and on April 15 for the second half tax. Only items delinquent in the current fiscal year or a prior year may be paid as subsequent tax. Special assessments, rate or charges due in future years cannot be paid until the fiscal year in which they become delinquent. Recorded subsequent payments will accrue interest at the rate of 2% per month beginning the month the payment is posted to the county system thru the month of redemption.

8. Assignment of a Tax Sale Certificate

The tax sale certificate of purchase is assignable by endorsement of the certificate, payment by the assignee of \$100 assignment transaction fee, and forwarding certificate to the County Treasurer for posting to the county system. An assignment is not considered valid until it has been posted. A tax sale certificate can not be assigned to another buyer who has redemptions rights, except when the assignment is to a municipality. A tax sale certificate of purchase and/or a tax sale deed can be set aside if it is determined that the purchaser or assignee is ineligible. The assignee will be required to fill out a W-9 form for interest purposes. The general rule is that a tax sale purchaser should never have an interest or lien in the item

offered for sale. A prospective bidder should consult with legal counsel to determine the right to become a tax sale certificate holder, either through bid or assignment. The assignor may not assign a certificate to more than one assignee/buyer number.

Upon the receipt of the \$100 assignment transaction fee from the assignee, the Treasurer will make the necessary entries in the county's system. 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 in the counties system, instead of from the date of the tax sale, to qualify for the tax sale deed.

When a buyer requests that the Treasurer record a change, other than the mailing address and telephone number, it is considered an assignment and the \$100 transaction fee will be charged. This includes a change in the buyer's name, buyer's number or federal ID number. Failure to prove the correct federal ID number or social security number at the time of purchase will result in a charge of \$100.00 for each certificate purchased.

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 Treasurer. 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: A tax sale certificate holder may serve a Notice of Expiration Right of Redemption after one year and nine months from the date of the tax sale. **Any certificate holder, who serves said notice or a similarly worded notice before the expiration of this time period, may be barred from future sales at Mills County.** It is Mills County's intent to afford all property owners with the rights and remedies of the Iowa Statutes.

B. Public Bidder Sale: A tax sale certificate holder may serve a Notice of Expiration of Right of Redemption after nine months from the date of sale.

If the certificate holder fails to file a 90 Day Notice of Redemption affidavit within three years from the date of the tax sale; this is the action which qualifies the holder of the certificate to obtain a deed, the County Treasurer will 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 for any tax sale certificate holder who fails to comply with this paragraph.

The deed issuance fee is \$25. The recording fee is usually \$17.00 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 the ninety calendar days after the redemption period expires, the Treasurer will cancel the tax sale and the certificate holder is not entitled to a refund.

11. Change of Address or Telephone Number

Buyers are required to notify Mills County Treasurer's office of any changes in their address or phone number.

This document has been prepared to provide general information and guidelines relative to the tax sale, a tax sale assignment, tax sale redemption, buyer reimbursement 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.

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. Prospective buyers should consult with their tax attorney or tax preparer to determine income tax ramifications that might result from a gain or loss as a result of purchasing a tax sale certificate.

Call the Mills County Treasurer's Office at 712-527-4419 to obtain additional information.

This document is effective for taxes sold during the period of June 20, 2011 through June 18, 2012, and all their assignments, thereof, regardless of the assignment date.

The doctrine of caveat emptor, meaning 'let the buyer beware', applies to this tax sale.