

TAX SALE-ACQUIRED PROPERTIES POLICIES AND PROCEDURES

POLICY

It is the policy of Black Hawk County, Iowa, to maintain a consistent method of conveyance of property acquired by the County through the tax sale proceeding.

SCOPE

This policy will provide guidance for county employees involved in the handling of real estate that Black Hawk County owns by Tax Sale Deed. It should be kept in mind that the Board of Supervisors is, by virtue of a Tax Sale Deed, the fiduciary for sale proceeds for all tax levying bodies in Black Hawk County. The properties are acquired and subsequently sold as the final action in the tax collection process. Black Hawk County acquires the properties by operation of law and not necessarily by choice. The County has no control over the condition of the properties at the time of acquisition. The properties are sold and the funds apportioned to the various taxing districts after deduction of costs incurred in the collection process.

This policy will provide information to the general public and potential buyers of the properties. It will provide citizens with the opportunity to acquire the properties and provide a means to rapidly dispose of the properties so the various taxing authorities may have use of the tax funds generated by the sales.

If properties are substandard and require extensive repair work, they may be sold on contract with a stipulation that they be brought to applicable building codes within a given period or demolished.

MANAGEMENT OF THE PROPERTIES

The Board of Supervisors delegates the management of Tax Deed acquired property to the County Auditor, with the assistance of the Building Superintendent. The County Auditor is official designee of the Board of Supervisors and shall coordinate all functions with respect to accounting, collection of rents, advertising, sale and eventual transfer of the title to the buyer. The Building Superintendent shall manage the maintenance and/or demolition of all Tax Sale Deed acquired properties.

1. **Records.** The Black Hawk County Auditor's office shall maintain individual files for each property. The file shall contain the Tax Sale Deed, a copy of the affidavits by the process server and the Treasurer, a copy of the Certificate of Purchase at Tax Sale, an area map, copies of rental agreements (if any), and any other pertinent documents related to the property.
2. **Rent.** Written rental agreements shall be obtained from all occupants of all properties as soon as possible after the property is acquired. For new renters, the agreement shall be

signed before they are permitted to move into the dwelling. The agreement shall be of the form attached and marked Exhibit #1.

3. Perfecting titles. It shall be the policy of Black Hawk County to obtain the best title possible when it acquires property by Tax Sale Deed. To further that goal, affidavits shall be filed on all properties as provided by Chapter 448.15 of the Code of Iowa. Title shall be passed by Quit Claim Deed without any guarantee as to the marketability of the title being passed. A sample of the affidavit is attached and marked Exhibit #2.
4. Claims. Claims by prior owners, mortgagors, lien holders or others shall be referred to the County Auditor. The Auditor will then coordinate the resolution of the claim with the County Attorney, County Treasurer and Board of Supervisors. Any claims for damages resulting from injuries on the property shall be referred to the County Auditor who shall notify the County Attorney and the County's insurer.
5. Complaints. Any complaints regarding county properties shall also be referred to the County Auditor who shall resolve the problem, if possible, with the assistance of the Building Superintendent.
6. Auctions. The Auditor shall compile a list of County properties that interested parties have requested be sold at auction. These properties, along with any others the County sees fit to sell, will comprise the auction list. Auctions shall be held when deemed appropriate by the Board of Supervisors. Any auction may be cancelled by the Board of Supervisors if they deem it to be in the interest of the County or if less than ten (10) properties are on the auction list compiled by the Auditor.
7. Legal publication. Prior to each auction, the Board of Supervisors shall cause to be published a list of all the properties to be offered as required by 331.361 of the Code of Iowa. Publication shall be in an official newspaper where publications are required. The Auditor shall furnish to the Board a listing of the properties in which there is interest and the Board shall cause its publication.

MAINTENANCE OF THE PROPERTIES

The Building Superintendent shall be responsible for performing snow removal, weed control, tree trimming and/or removal and repairs or demolition to the properties.

1. Lawns and snow removal. The County shall control weeds and grass on those properties that are vacant. Snow removal shall be performed on those properties with front sidewalks (public sidewalks) and which are vacant. It shall be the responsibility of the renter of the properties to maintain these areas as stipulated in the rental agreement.
2. Repairs to buildings. Repairs shall be performed on structures as deemed necessary by the Building Superintendent. Repairs shall be functional, not cosmetic in nature. Vacant houses shall be boarded up, if necessary, to secure them.

3. Records. The Building Superintendent shall keep records of all work performed on Tax Sale Deed acquired properties and provide a listing of expenditures incurred on each property to the County Auditor at the time it is slated for public auction. The County Auditor shall then file the bills with the property file and collect the costs incurred upon the sale of the property.
4. Demolition. Properties that the Building Superintendent determines to be unrepairable shall be placed on a demolition list and removed from the active pool of properties eligible for sale until such time as the demolition is completed. Demolition shall be accomplished, whenever possible, by a cooperative effort with the City in which it is located. The County may contract for demolition directly or may make agreements with cities for the contracting.

SALE OF THE PROPERTIES

Any interested citizen or the County itself can place a County-owned parcel in the auction with the consent of the Board of Supervisors. A deposit of \$10.00 is required from a citizen to initiate the publication and subsequent auction of a property the County owns as a result of a tax sale deed. The Auditor's office compiles the auction list and processes the deposits. The parcel may be sold individually or with contiguous parcels depending upon which option the Board of Supervisors believes would bring the best price at the auction. The properties are sold to the highest bidder, if the bid is accepted by the Board of Supervisors. The Board shall vote on each sale as it occurs.

Buyers are not responsible for delinquent taxes that are owed on a property. They are responsible for taxes pro-rated to the date of the auction. Special assessments that have not yet been certified to the Treasurer and billed will be the responsibility of the buyer.

Title is transferred by Quit Claim Deed and the County can give no greater title than it has. The County makes every effort to get State and Federal Tax Liens released but may encounter technical problems on some parcels. Although the Board of Supervisors believes the property to be free and clear of all liens, in some cases the property may not actually be free and clear. Buyers should have their attorneys examine the abstract of title to be sure no liens exist.

1. Most properties will be sold at public auction following publication in a legal newspaper in Black Hawk County, Iowa.
2. Properties sold at auction will be sold to the highest bidder, if the bid is accepted by the Board of Supervisors.
3. Private sales of real property may be done as provided in Chapter 331.361 of the Code of Iowa.
4. Properties that do not meet applicable building codes may, at the discretion of the Board of Supervisors, be sold on a real estate contract. A copy of a typical contract is attached to this policy as Exhibit #3.

5. Properties sold on contract must be brought up to applicable building codes and proof of inspection and a certificate of occupancy must be provided to the Board of Supervisors, or their designated official, before a Quit Claim Deed will be issued.
6. If substantial progress has been made during a six-month period but the structure still does not meet applicable building codes, the Board of Supervisors may approve an extension of the contract for a period of time specified by the Board of Supervisors.
7. If substantial progress has not been made to comply with applicable building codes at the end of the prescribed period, the designated official (County Auditor) shall refer the particular contract to the County Attorney to initiate forfeiture of the real estate contract and the property shall again be placed in the County's pool of available properties when the forfeiture process is complete. All monies paid or improvements made become absolute property of the County as liquidated damages for the breach of the contract and as rent for the premises.

The Board of Supervisors conducts these auctions to return tax sale acquired property to the tax rolls. An attempt is made to disclose all matters relating to the property that are known at the time of the sale. The Board welcomes questions or comments from the public regarding the properties offered for auction. It should be remembered that:

1. There is an element of risk in the purchase of the property in that there may be defects in the legal title.
2. The correction of the defects is the sole responsibility of the buyer. The County is willing to correct errors it may have made but not the errors of others.
3. The property does not include an abstract of title. In some cases the abstract of title is available but seldom is up to date.
4. The property can usually be bought below market prices because of the element of risk.

It is the policy of Black Hawk County that real estate property purchased at County auctions shall be paid for at the time of the auction. Purchases not completed by close of business day at which the auction occurs shall be set aside by action of the Board of Supervisors.

GRANT VEEDER
Auditor of Black Hawk County
316 E. 5th Street
Waterloo, Iowa 50703-4774

AFFIDAVIT

State of Iowa)
)
 ss.
Black Hawk County)

I, _____, being first duly sworn, on oath depose and say that on the
____ of _____, 20____ the County Treasurer issued a tax deed to Black Hawk County,
Iowa for the following described parcel:

_____;

that the tax deed was filed for record in the office of the County Recorder of Black Hawk County,
Iowa on the ____ day of _____, 20____, and appears in the records of the office in Black
Hawk County as recorded in Document No._____ of the Deeds Records; and that Black
Hawk County claims title to an undivided _____ percent interest in the parcel by virtue of the tax
deed, or purported tax title.

Any person claiming any right, title, or interest in or to the parcel adverse to the title or
purported title by virtue of the tax deed referred to shall file a claim with the recorder of the county
where the parcel is located, within one hundred twenty days after the filing of this affidavit, the
claim to set forth the nature of the interest, also the time and manner in which the interest claimed
was acquired. A person who files such a claim shall commence an action to enforce the claim
within sixty days after the filing of the claim. If a claimant fails to file a claim within one hundred
twenty days after the filing of this affidavit, or files a claim but fails to commence an action to
enforce the claim within sixty days after the filing of the claim, the claim thereafter shall be
forfeited and cancelled without any further notice or action, and the claimant thereafter shall be
forever barred and estopped from having or claiming any right, title, or interest in the parcel
adverse to the tax title or purported tax title.

County Auditor
Black Hawk County, Iowa

Subscribed and sworn to before me this ____ day of_____, 20____ .

Notary Public in and for Black Hawk County, Iowa