

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

**OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA**

98-403

SYNOPSIS —

AGENDA:

SEPTEMBER 14, 1998

Requesting Council approval to release liens and encumbrances which are causing a defect in the title to real estate to which Polk County took a tax deed. These releases are requested to assist the County in clearing the defect in the title without the delay of service of a required 90-day notice.

SUBJECT:

APPROVING
RELEASE OF CITY
LIENS AGAINST
POLK COUNTY TAX
SALE PROPERTY

FISCAL IMPACT –

TYPE:

**RESOLUTION
ORDINANCE
RECEIVE/FILE**

N/A

RECOMMENDATION –

SUBMITTED BY:

ERIC A. ANDERSON
CITY MANAGER

Approve the release of City liens against Polk County Tax Sale Property.

BACKGROUND –

At the May 18, 1998 Council meeting, the Council deferred action on a resolution approving the release of City judgment liens against 1319 - 10th Street. The release was requested by Polk County, and involves a property which was initially sold at a tax sale. Polk County inadvertently failed to provide proper legal notice of the tax sale to the City, which resulted in the judgment liens remaining against the property, instead of being extinguished by the sale.

The County took possession of this lot in 1991, and since that time has not assessed taxes against the property. The property was sold to Ben' s Keystone Construction for \$400 at a public auction on February 24, 1998. Ben' s Keystone Construction plans to build a single-family residence on this property, and it is anticipated to return to the tax rolls in 18 months. The assessed value of this property is \$1,340.

Ordinarily, Polk County would have cleared title to the property before the auction and sale. In this instance, at the request of the Polk County Real Estate Office, the Council is being asked to clear the title by releasing liens *after* the sale of the property. The City currently has 13 judgments totaling \$10,452.59, which are liens against the property and personal judgments against Mr. Donald Bevard. All other liens against the property have already been released or extinguished.

It is important to note that judgments against individuals such as are involved here become liens against all real estate owned by those individuals in Polk County. At the time when the County took the tax deed on 1319 - 10th Street, Mr. Bevard had an interest in that property and every property listed on the roll call. If the Council releases the liens as against the 10th Street property, the judgments will remain liens against all other property which is owned by Donald Bevard in Polk County, and any other properties purchased in the future. Staff cannot locate any other properties owned by Mr. Bevard in Polk County at this time.

It does not benefit the City to refuse to release the liens since we currently are not receiving any tax revenue from this property. If the liens are released, however, we do anticipate receiving tax revenue from this property in the near future.