

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 8140

BILL NUMBER: SB 543

DATE PREPARED: Jan 31, 2001

BILL AMENDED: Jan 29, 2001

SUBJECT: Real Property Tax Sales

FISCAL ANALYST: Bob Sigalow, Chuck Mayfield

PHONE NUMBER: 232-9859, 232-4825

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill permits a county that incurs cost to sell a parcel of real property acquired through the tax sale process to recover the cost from the proceeds of the sale of that parcel or from the proceeds of the sales of other parcels acquired through the tax sale process.

Effective Date: July 1, 2001.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: The bill could reduce local unit revenue. Currently, when tax sale property fails to sell, the county acquires title to the property. If the property is eventually sold by the county, the proceeds are applied in order to 1) the cost of the sale, 2) payment of taxes, and 3) to the county General Fund.

The bill would apply the proceeds to 1) the cost of the sale or offering for the sale of real property, 2) unrecovered cost of sale or offering for sale real property in the same taxing district 3) payment of taxes, and 4) to the county General Fund.

Since the unrecovered costs of other sales or offerings would be paid before any money from the sale would go to pay delinquent taxes, local units would most likely receive less revenue from these sales. County revenue would be increased by the amount of the local unit loss. The amount of the unrecovered cost of sales or offerings among taxing districts is unknown.

The note will be updated if additional data becomes available.

State Agencies Affected:

Local Agencies Affected: Local Units, Counties.

Information Sources: