

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

301 State House
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FISCAL IMPACT STATEMENT

LS 6166

BILL NUMBER: HB 1020

DATE PREPARED: Jan 28, 2002

BILL AMENDED: Jan 28, 2002

SUBJECT: Property Tax Sales.

FISCAL ANALYST: Bob Sigalow

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**FUNDS AFFECTED: GENERAL
 DEDICATED
 FEDERAL**

IMPACT: Local

Summary of Legislation: (Amended) This bill authorizes a county commission, through the adoption of a resolution, to sell the tax sale certificate for a tax delinquent property at a price less than the minimum price if the property has not sold for the minimum price at two tax sales. It provides that the proceeds from the sale are to be allocated on a pro rata basis among the taxing units and that any credit to the taxing unit for delinquent taxes is extinguished by the sale.

Effective Date: July 1, 2002.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: (Revised) Under current law, a county acquires a lien on property that has failed to sell for the minimum required price in two consecutive tax sales. This provision would allow the county commissioners to resolve to sell for a sub-minimum price, properties that have failed to sell in two tax sales. A county could conduct these sales through December 31, 2004. Proceeds from the sale of these properties would be allocated back to the taxing units that serve the property on a pro-rata basis.

This provision would allow a county to dispose of real property with property tax delinquencies that may not otherwise be saleable because of the minimum purchase price. This bill would help to get taxable property back onto the tax rolls sooner and could reduce long-term county collection expenses. This provision would increase the cash flow to local units. The actual fiscal impact depends on the counties that participate and on the amount received for the sale of these properties.

State Agencies Affected:

Local Agencies Affected: Counties; Civil taxing units and school corporations.

Information Sources: