

HB 261 -- Tax Sale of Land for Delinquent Taxes

Sponsor: Franz

This bill changes the laws regarding the sale of real property for the collection of delinquent taxes. The collector is required to send up to three notices prior to a tax sale to the publicly recorded owner of record of the real property. The first notice is by first class mail, the second by certified mail, and a third notice is sent if the certified mail is returned unsigned to both the owner of record and the occupant of the real property at least 15 days before the fourth Monday in August.

The purchase price of the property at a third offering must be at least equal to the sum of the delinquent taxes, interest, penalties, and costs. The certificate of purchase will be issued to an agent if the purchaser is a nonresident. The purchaser is required to pay a fee to the collector to record the certificate of purchase. After the third offering, the collector's deed or trustee's deed will have priority over all the other liens or encumbrances on the property sold except for real property taxes or federal liens.

If the delinquent land tax sale results in an amount greater than the amount of debt, taxes, interest, and costs; the excess proceeds must be held in trust in the county treasury for three years for the publicly recorded owner or owners of the property sold or their legal representatives. After three years, any amount not called for will be deposited into the county's school fund.

The redemption periods for the owner of record to redeem tax sale property are revised; and the owner must reimburse the purchaser for all costs of sale, including the cost for recording the certificate of purchase, the fee to record the release of the certificate, the cost of the title search, the cost of the required certified mail notifications, interest at the rate specified on the certificate, and any taxes paid by the purchaser plus 8% interest.