

HCS SB 1012 -- COLLECTION OF PROPERTY TAXES

SPONSOR: Caskey (Baker)

COMMITTEE ACTION: Voted "do pass by consent" by the Committee on Tax Policy by a vote of 11 to 0.

Current law requires a person redeeming their property that has been sold at a tax foreclosure sale to pay interest of up to 10% on the entire purchase price of the property, even if the purchaser bid more than the delinquent taxes. This substitute limits the interest paid to only the amount of the bid price that represents the delinquent taxes.

The substitute clarifies that only current property taxes can be protested if the taxes are in dispute and allows a county collector to remove personal property taxes from the delinquent or back tax book after three years. This provision contains an emergency clause.

FISCAL NOTE: No impact on state funds in FY 2005, FY 2006, and FY 2007.

PROPOSERS: Supporters say that because of the stock market and the current interest rates, businesses from outside the county are investing in delinquency sale properties to earn the 10% rate of return on their investment.

Testifying for the bill were Senator Caskey; and Missouri County Collectors Association.

OPPOSERS: There was no opposition voiced to the committee.

Karla Strobel, Legislative Analyst