

Fiscal Estimate Narratives

DOR 10/10/2003

LRB Number 03-3075/1	Introduction Number AB-544	Estimate Type Original
Subject Distribution of proceeds from the sale of property acquired by county tax deed		

Assumptions Used in Arriving at Fiscal Estimate

Under current law, if a property owner does not pay his or her property taxes by September 1, the county treasurer must issue a tax certificate to the county on the property. The owner of the property has two years to redeem the tax certificates by paying the delinquent taxes, plus penalties and interest. If the tax certificate is not redeemed, the county is permitted to acquire the property by taking the tax deed, and selling the property. If the county acquires property that was used as the previous owner's homestead at any time in the 5 years prior to county acquisition, the county must give written notice to the previous owner that he or she may be entitled to a share of the proceeds of any future sale of the property. The owner has 60 days to submit a written request for his or her share of such proceeds.

Under the bill, the county would be required to send the previous owner his or her share of the proceeds.

Information on the proceeds received from the sale of properties on which tax deeds have been taken, and the profits or losses from the sale of such property, is not included in the county financial reports that all counties are required to file with the Department. The information is also not generally reported separately in the audited, comprehensive annual financial reports required of counties with a population of 25,000 or more. It is therefore not possible to estimate the increase in payments to former property owners that this bill would engender.

Long-Range Fiscal Implications