
Finance Committee

HB 2410

Brief Description: Requiring full payment of all moneys due under the certificate of delinquency prior to any change of ownership of real property after a certificate of delinquency is issued.

Sponsors: Representatives Bailey and Takko.

Brief Summary of Bill

- Requires full payment of all property taxes, interest, and costs due under a certificate of delinquency prior to any change of ownership of the real property.

Hearing Date: 1/15/10

Staff: Susan Howson (786-7142).

Background:

When real property taxes become three years delinquent, the county treasurer is required by law to begin foreclosure action. A certificate of delinquency is filed with the county's Superior Court for all years' taxes, interest, and costs. The county treasurer, with the consent of the county legislative authority, may elect to issue a certificate for fewer than all years' taxes, interest, and costs to a minimum of the taxes, interest, and costs for the earliest year.

A certificate of delinquency establishes that the property was subject to property tax; the property was assessed as required by law; and the taxes or assessments were not paid at any time before the issuance of the certificate.

Prior to sale a title search is conducted. All parties with recorded interest are sent notification in the form of a notice and summons by certified mail. Notification is also published in a local newspaper.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The county treasurer receives a tax judgment and order of sale from the court foreclosing on the tax lien, which authorizes the sale of the parcel. Parcels included in the tax foreclosure process can be redeemed by the owner(s) or paid by any party with a recorded interest up until the close of business on the day before the sale, thus removing the parcel from the sale. Tax foreclosure sales are usually held once a year.

Summary of Bill:

After a certificate of delinquency is issued for real property and prior to the day of sale, full payment of all moneys due under the certificate of delinquency is required prior to any change of ownership of the real property.

Appropriation: None.

Fiscal Note: Requested on January 6, 2010.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.