

FINAL BILL REPORT

HB 2457

C 98 L 16
Synopsis as Enacted

Brief Description: Concerning recorded interests in easements by an electric utility.

Sponsors: Representative Young.

House Committee on Judiciary
Senate Committee on Government Operations & Security

Background:

Tax Lien Foreclosure Sales.

After three years from the date of property tax delinquency the county treasurer may begin foreclosure proceedings to recover past due property taxes. The first step in the process is issuance of a certificate of delinquency, for the total amount of unpaid taxes, interest, and assessments, which is then filed with the clerk of the court.

Notice and summons are served or given to the owners and any person having a recorded interest in, or recorded lien upon, the property, notifying them to appear and defend the action or pay the amount due. Following court proceedings, the court gives judgment for such taxes, interest, and costs as appear to be due and issues an order for the sale of the property against which judgment is made.

The county treasurer must sell the property to the highest and best bidder. The minimum bid is the total amount of taxes, interest, and costs. If the sale is for more than the minimum bid, the excess must be refunded to the record owner of the property if a refund application is made. If the county does not receive the required minimum bid, the county acquires title.

Status of Easements Following Tax Lien Foreclosure Sale.

The general property tax assessed on any piece of real property includes an appurtenant easement, provided that the easement has been recorded with the county auditor. Any foreclosure of delinquent taxes on a piece of real property that is subject to the easement, and any tax deed that is issued following the sale, remains subject to the easement, provided the easement was established of record prior to the year for which the tax was foreclosed.

Summary:

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.

If an electric utility has a recorded interest in an easement, any foreclosure of delinquent taxes on any tract of land subject to the easement, and the tax deed issued following sale, are subject to the easement regardless of when the easement was established.

Votes on Final Passage:

House	97	0
Senate	47	0

Effective: June 9, 2016