

SENATE BILL REPORT

SHB 2271

AS OF FEBRUARY 25, 1992

Brief Description: Describing when tax foreclosed property may be disposed of by private negotiations.

SPONSORS: House Committee on Local Government (originally sponsored by Representatives H. Sommers, Haugen and Winsley)

HOUSE COMMITTEE ON LOCAL GOVERNMENT

SENATE COMMITTEE ON GOVERNMENTAL OPERATIONS

Staff: Rod McAulay (786-7754)

Hearing Dates:

BACKGROUND:

Unpaid property taxes are a lien on the property until paid.

If property taxes remain unpaid for three years, the county treasurer issues a certificate of delinquency and the prosecuting attorney forecloses the lien for unpaid property taxes in superior court. The superior court may enter a judgment for delinquent taxes, interest, and costs if the lien is not paid and order the property sold. The property is sold by public auction with the minimum acceptable bid being for the amount of the delinquent taxes, interest, and costs.

If a minimum acceptable bid is not made at the public auction, the county acquires the property. The tax foreclosed property that the county obtains may be sold at a later date. The county may sell tax foreclosed real property for not less than the principal amount of the unpaid taxes by private negotiation directly to any public agency for public purposes.

SUMMARY:

A county may sell tax foreclosed real property by private negotiation without using a public auction when: (1) the county legislative authority determines that it is not practical to build on the real property due to the physical characteristics of the property or legal restrictions on construction activities on the property; or (2) the real property is attempted to be sold at a public auction, but no acceptable bids are received, and the property is sold within six months from the date of the attempted public auction.

Appropriation: none

Revenue: none

Fiscal Note: none requested